GOVERNMENT OF THE DISTRICT OF COLUMBIA

Housing Production Trust Fund Advisory Board

Housing Production Trust Fund Advisory Board Meeting

Property Address:

DHCD Housing Resource Center

1800 Martin Luther King Avenue SE

Washington, D.C. 20020

10:03 a.m. to 12:03 p.m.

Monday, December 1, 2014

ORIGINAL

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Board Members Present:

DAVID BOWERS
JAMES KNIGHT
ORAMENTA NEWSOME
CRAIG PASCAL
STANLEY JACKSON
SUE MARSHALL
ROBERT POHLMAN
BEATRIX FIELDS
NATHAN SIMMS
DAVID TWEEDIE
DAVID ROODBERG
MICHAEL KELLY
CHRIS DICKDERSIN-PROKOPP
ROBERT HAYDEN

P R O C E E D I N G S

MR. BOWERS: Good morning, everyone. It's Monday, December the 1st, 2014. It is 10:03 a.m., the District of Columbia Housing production Trust Fund Advisor Board Meeting is now called to order. My name is David Bowers, the Chair of the Board.

I'm going to ask if we can go around and just announce members who are present so we can get that on the record and establish our quorum, Item No. 1 on the agenda. And we have, Oramenta, would you like to announce yourself present.

MS. NEWSOME: Good morning, everyone. This is Oramenta.

ALL: Good morning.

MR. BOWERS: Oramenta is present here by phone. David.

MR. ROODBERG: David Roodberg.

MR. KNIGHT: Jim Knight.

MS. MARSHALL: Sue Marshall.

MR. PASCALL: Craig Pascall.

MR. JACKSON: Stan Jackson.

MR. BOWERS: All right. So seeing that we do have a quorum present we will move forward interview he order of business.

Number one, prior meeting summaries. We have meeting highlights, I believe, that are in our notes. Bea, are there any guidance you have for us on these in terms of things to look out for, pay attention to?

MS. FIELDS: One, I want to say I'm very proud to say we are caught up. We were able to go back to prior year meetings where our transcript was the only requirement. We went back and actually tried to pull out highlights of those various meetings. So they will be complete before we end this year.

You'll notice that if you go back to some of the old ones when we first talked about demand side issues, such as December of 2013, we're now full circle coming to actually taking some of those issues and adding data to them. So I hope that over the -- if you haven't had a

chance to read some that I sent you over the weekend, we did have a -- we had to evacuate the building on Friday, so we weren't really able to get everything to you prior to that.

If there are grammatical or technical changes please feel free, call me and we can make those changes.

MR. BOWERS: Great. I ask if we can take a moment to just review in particular the November 18th highlights, the meeting from November 18th.

MS. FIELDS: That would be 2013.

MR. BOWERS: No.

MS. FIELDS: No, you mean November 3rd.

MR. BOWERS: Sorry. No. Thank you, yes. November 3rd. Thank you, Bea. November 3rd, 2014. If we can pay particular attention of those and see if there are any edits and make approval of these.

Now what I'll ask, we won't spent the rest of the time going over all of the rest, but what we'll do is ask members of the Board to

look at the other meeting highlights. And what I would simply ask if we're able to, we could deem them as approved subject to any corrections that would need to be made and brought to the attention at the next meeting. But in particular we can focus on November 2014 highlights for a couple of minutes and if there are any corrections that need to be made we can highlight those.

Let me note for the minutes that we've been joined also by Board Member Bob Pohlman is present as well.

We'll take a couple minutes to look over November 3rd, 2014, and then we'll keep moving forward.

[Reviewing notes from previous meeting.]

MR. BOWERS: If any Board member will entertain any motions to approve the minutes -- the highlights, excuse me, from Monday, November 3rd, 2014 members can certainly can have more time if they need.

MS. MARSHALL: I'd like to correct for

the record --

MR. BOWERS: Yes, ma'am.

MS. MARSHALL: The spelling of Mr. Tweedie's name on page 2.

MR. BOWERS: On page 2, Sue Marshall highlights.

MS. MARSHALL: Last paragraph, T-W-E-E-D-I-E.

MR. BOWERS: I'm sorry, say again.

MS. MARSHALL: T-W-E-E-D, as in dog.

MR. BOWERS: Okay. Tweedie. Okay. So the minutes -- the highlights, excuse me, on page 2, November 3rd, 2014 we'll correct the spelling of Mr. David Tweedie, T-W-E-E-D, as in dog, I-E is the correct spelling.

Any other corrections on the highlights?

[No audible response.]

MR. BOWERS: Motion to approve the highlights.

MR. KNIGHT: So moved.

MR. BOWERS: Been moved by Jim.

MS. MARSHALL: Second.

MR. BOWERS: Seconded by Sue Marshall. Any discussion?

All in favor of approving the highlights from November 3rd, 2014 signify by saying aye.

ALL: Aye.

MR. BOWERS: Any opposed? All right, that's unanimous.

So we've improved the November 3rd, 2014 highlights. Thank you, Bea for these. And again what we'll do is I'm going to ask if we can move to have the prior highlights tentatively approved subject to any corrections that will be made, brought forth at the next meeting, and in the absence of that they will just deem to be approved as such a motion.

MS. MARSHALL: So moved.

MR. BOWERS: So moved by Sue. Is that seconded by Stan Jackson? Okay.

Any discussion? Okay. All in favor?

MS. MARSHALL: May I just note that we really need to place the minutes or the highlights on our DHCD website.

MR. BOWERS: Uh-huh.

MS. MARSHALL: So while we're tentatively approving them -- I'm just wondering if you have any technical changes that you'd like to submit to me between now and the next meetings.

MR. BOWERS: I'm wondering if we can hold off on posting those until immediately after our January meeting.

MS. MARSHALL: All right.

MR. BOWERS: Just we'll do it that way just to be on the safe side.

MS. MARSHALL: Okay. All right.

MR. BOWERS: Okay. All in favor of approving them, our subject.

UNIDENTIFIED SPEAKER: Aye.

MR. BOWERS: Aye. Opposed?

[No audible response.]

MR. BOWERS: Okay. That motion carries. Thank you all for that. That's Item No. 2.

And again, if anyone does have any corrections or additions that should be made, you can e-mail Bea and/or bring them to our next

meeting in January.

Speaking of which, let me so we don't forget, our next meeting -- let's do this now so we do not forget -- should be on the 2nd month. We typically meet the first Monday of the month in January. Let's just -- oh, it is the 5th, so I think we will meet on January the 5th because that gets us through the first holiday, so we'll continue with that.

Okay. Item No. 3, again, picking up on the issue around the demand side. The discussion item on demand side leveraging options, follow up review of that or presentation by the Community Partnership for the Prevention of Homelessness. Ms. Sue Marshall, we turn it over to you.

MS. MARSHALL: Thank you, and good morning.

MR. BOWERS: Good morning.

MS. MARSHALL: And I'm going to quickly turn this over to David Tweedie who actually did this work, to do the presentation.

At the last meeting we presented assessment and income and recommendation data that was for single adults who are homeless, being those who present without minor children. There were some questions at the end of the presentation, whether there's income data. So there is some income data incorporated with the assessment data for single adults, and we have also put together for you, data on the families in the system. That would be families with children and as we go through it you'll note some very significant differences.

And one of the things I really want to highlight is this data just underlines the point that Jim Knight made at the conclusion of our discussion about the need to devote resources to the production of housing at the income levels that we are seeing.

So, David.

MR. TWEEDIE: Great. So the first half of this page here is fairly similar to what we looked at last month and we will build from

that. So this is again from our single individuals. It's going to look at the interventions by score, not unlike what we looked at last month. We're now at 2,740 assessments to give you an overall scope of the work there.

Of those 2,740 assessments those are once again across the broader D.C. Metro region, not including merely the District of Columbia but also the eight outlying counties there.

When we look at the interventions recommended based off of those assessment scores, we see the same figures that we looked at last month, give or take a percentage point. So very regularly 28 percent of people being screened are in that permanent supportive housing recommendation, recognizing that they're going to need a lifetime subsidy that will often come with some pretty serious case management due to their medical and mental health vulnerabilities.

Very regularly 50 to 52 percent of

individuals are being recommended for rapid rehousing. It looks like a short-term shallow subsidy lasting no longer than a year. That comes with some intense employment supports to be able to help people obtain employments, and then 20 percent coming in as recommended for minimal intervention.

That's very similar to what we looked at last month. What's new, though is, let's look at the income behind that assessment data.

So 39 percent of those 2,740 assessments represent individuals with zero dollars in monthly income. And as a point of record, this also includes substantial analysis of what we might call under the table income as well. So we're looking at anything like scrapping or bottle collecting, panhandling, we've quantified all of that and we have a substantial set from certain individuals with that sort of information. So this is not just income that we're reporting to the IRS.

So 30 percent, almost 102 individuals

doesn't have a dollar of income to their name. So that creates an out bridge across all assessments of $514 in monthly income. But that's including all of the substantial set of individuals, 61 percent of individuals with zero income. So that might not be the truest count there of income source. So this is where the statisticians and us look at inclusionary versus exclusionary averages, which just means that the second count there is -- if we narrow in on only those who reported income, anywhere from a dollar all the way up to the highest income source there, of those individuals who report income of some source, their monthly earnings average $920. And that's across all assessments.

So that's substantially lower than even 10 percent of AMI for these single individuals, right? Let along the 30 percent or 40 percent. But that's across all assessments so we also wanted to drill down and say, what does income look like based off of individuals scoring in

these three different sorts of buckets, right?

So for individuals that are recommended for permanent supportive housing, they are earning an average of $466 overall. And if we look at just those individuals who have income, those with income average $835, and that's from really medically vulnerable individuals. So they often have co-occurring or tri-occurring substance abuse, mental health, and medical vulnerabilities.

In the middle there are our broadest category. One out of every two individuals is scoring in this category here, recommended for rapid rehousing. So that 52 percent, they're earning just not even $100 more. So on average $527 in monthly income source. And if we could narrow in on only those who have income of any source, then they're averaging at $133.

And then lastly for our least vulnerable individuals, they -- so this is our 20 percent. They're earning an average of only $547. On $20 more than our one of every two. Just not much.

And if we look at only those who report income of any type then that rises slightly there.

But this reflects a field by field analysis of every single one of those 2,740 assessments. So this is the most in-depth income analysis that we've ever done. But it ultimately reveals that even amongst those individuals who are incredibly vulnerable, all the way down to individuals that are not very vulnerable at all, they're still not making very much money. And by not very much money meaning $547 a month income or less.

So for those individuals that we're screening, many of whom are outdoors at this point, there's just not a lot of income that's regularly there. And you can make the argument, for an individual who is scoring at 10, 11, 12, 13, 14, individuals who are statistically reliable that they're more likely to die on the street than they are to be housed, how realistic is it for them to be able to substantially increase their income from often zero up to even

the $700 SSI payments, let alone something approaching 30 percent AMI.

So to couple that with the analysis that we haven't yet done on families, right? And then we can posture some questions here.

So it's a slightly different assessment tool. It's a more in depth needs analysis because these are individuals who are actually sitting down for a 45 minute to a 60 minute conversation with the case manager where many individuals who were screening on the single side have been outside for the last 10 years and we're screening them at 2:00 in the morning.

So for our families there, the cut-off for them -- well, first of all the scope. So we have 897 assessments. Eight hundred and ninety-seven family assessments compared to the 2,740 single individuals. For families, though, the recommended interventions look starkly different than the single individuals. So even though our first and primary statements is that individuals who we've assessed have very little income, this

is really equally as important. So where as on the single side 28 percent of individuals are screening at needing that long term assistance, only three percent of families are screening at needing that lifetime housing subsidy that comes with a case manager due to substantial disabilities that they would carry. So these are individuals recommended for things like the Veterans Affairs Support Housing Program, the Permanent Supportive Housing Program, or PSHP. Long-term lifetime subsidies for individuals who but for this assistance would not be able to resolve their housing crisis through any other intervention. Right? Three percent.

Of individuals that are screening at recommended for rapid rehousing, that's at 36 percent. Still less than the one out of every two on the single side. One out of every three, right? And so that's 328 families that are recommended for that sort of moderate level intervention.

But whereas on the single side we see

only 20 percent of individuals who are likely to be able to resolve their own housing crisis due to just a light touch with the system, things like referrals and some short conversations. On the family side 61 percent of families who have been assessed, are recommended for those minimal housing support.

And so when we understand that we're trying to connect the demand side to the supply side, that I think really makes the argument on how important is it to target our service rich really valuable longer term assistance to the individuals, or rather families, who need that intervention as the only thing likely to lift them from homelessness into housing. Right?

Because if we look at the overall, the 61 percent, I have no doubt that families screening at that lower level vulnerability wouldn't accept a longer term housing subsidy. The question is whether or not they need that kind of service rich intervention to be able to resolve their housing crisis.

Which then we -- let's just look at income. So for our family side, 95 percent report some income. So only five percent of families are reporting a zero income. We can compare that to singles. But it's not substantial income by any judge of the imagination. That's almost without fail, TANF, averages less than $336 per family, and food stamps or SNAP, so which averages at $367 or less per family.

So whether you're looking at singles or families, cracking even the $500 monthly income margin represents a success. And we're nowhere near the $1,000 or $2,000, or $3,000 in AMI that we would need to have us at even the 30 percent.

That's a lot of numbers and data here. But it's our first -- it's a first and really second and third attempts to be able to look at, of singles and families, how do they compare when it comes to vulnerability? How does it compare when it comes to income source? And how does it compare towards the actual type of

housing stock and inventory necessary to resolve their housing crisis.

So I know we had substantial discussion on this when we met last weekend, so I'll open the floor up to questions.

MR. BOWERS: Question, David.

MR. ROODBERG: I guess I'm a little surprised, but maybe it has to do with some definitions. But the statistics being as much better for families than they are for individuals. We're doing a project in Ward 8 and we've done a community assessment within a mile of the site and have found that over 73 percent of children under 3 are living in poverty. So within a mile of the site.

So I guess by definition they're not homeless. Is it that families have found a way to live someplace, you know, whatever it is, you know, so that is that why there's sort of that difference, I guess?

MR. TWEEDIE: Yes. Yup. So the individuals that we -- individuals or families,

I sort of use those a little bit interchangeably here, but by the time they draw into this assessment pool on any of these charts, they've fallen from poverty into homelessness. And so it's the individuals that you're assessing currently in Ward 8 with additional crisis that bring them in to either the streets for single individuals or into shelter for families, essentially.

MS. MARSHALL: And when it relates to families you have to look at the demographic. Half of the families are young people aging out of households. So that again took, when we look at the data, is a terribly important public policy question of whether or not we are rooting young households unnecessarily through a shelter system. So we need to look at different interventions for that segment of the population, recognizing how much of this is poverty and the lack of affordable housing.

MR. BOWERS: Jim?

MR. KNIGHT: So following the discussion

last time, and this data helps us go further, I'm really grateful for it. I'm trying to understand a little bit better. I have a sense of how the assessment tool looks at characteristics that suggest somebody could become independent. Or self-supporting as a household.

The incomes in the family pool are nowhere near that. So if the goal were to build the housing that didn't need a permanent subsidy that the family could afford, what is that rent level. Right? I think that's the question we were sort of landing on last time.

And there's not enough information yet to get there. But just a couple of data points for consideration. So right now a full-time minimum wage earner is earning about $17,000 a year. That's about -- they can afford about a $430 a month rent payment. It's about 20 percent AMI rents for an individual. If you double that and say a two household -- two earner minimum wage at $34,000 can afford

roughly a rent at 850, which is about 30 percent AMI. So we're in a very very high-cost area. We know that. That's kind of what we start with.

How trustworthy is the assessment determination that someone really can reach an income level that needs to be above $34,000 a year in order to not be in a permanent subsidy? So how do I finance housing? How do we build housing at an in-rent of $900? Or at an in-rent of $700?

MR. TWEEDIE: So I think ultimately the assessment data that we have would say that if we were to build housing at that level it would most likely be unaffordable for individuals and families in our current system.

MR. KNIGHT: So what's that magic rent that that family can reach with proper supports?

I know you can't know that, but what's your sense of that from having played in these numbers deeper than anybody else?

MR. TWEEDIE: So, I think it will look

very different based off of how vulnerable the family or the household is. So for individuals that are more vulnerable, 50 percent, I think income of really any type, our primary concern is how do we get you attached to SSI or disability to be able to provide you with some level income based off your presenting crisis. But those individuals will most likely not be employed and with the income where they're at is often not going to go double or triple in the same way that those of us around the table don't see our income double or triple there.

So I think I would look at the income at intake that we're looking at and imagine, how much do we think we can stretch that beyond what it currently presents at. And I think I would probably say not much.

MR. KNIGHT: So if the household is such that it can hold full-time minimum wage work it's going to get to these annual levels if it's full-time.

MR. TWEEDIE: Uh-huh.

MR. KNIGHT: Often it's not. Often it's three quarter time or 60 percent time. I'm just trying to test the assumption that I had last time that there is a contract rent level that would not be subsidized. Wouldn't be LRSP or Section 8, that wouldn't be below 30 percent AMI. But it really needs to be affordable, below 30 percent AMI.

MR. TWEEDIE: Yes.

MR. KNIGHT: In order to reach these income levels. In which case it's hard to argue that it's not subsidize. That you don't subsidize it. I think we're kind of against ourselves on that argument a little.

What would, in the assessment -- maybe this is you, Sue, but in the individuals or the families that grade out of PSH into Rapid Rehousing, is there a proposed sort of income level they could reach? Could they be full-time minimum wage earners?

Typically are they not disabled and they have that profile where they could be?

MS. MARSHALL: And if you saw this morning's paper, there is an article looking at a couple of families who have actually managed to afford the units they're in. And again, it draws the distinction between middle age heads of household with some employment history, and younger households who don't have that experience, so that they are not on the same income trajectory.

Your question highlights another part of the demand side of this, and that is the employment market. This assessment does nothing to look at the market in which these determinations are being made. The assessment may be 100 percent in terms of how it characterizes and stratifies. But if there are not jobs out there for the consumers to have, you're not able to make that next step.

MR. BOWERS: I saw Bob and Stan's hands. Why don't we -- Stan and then we'll go to Bob.

MR. JACKSON: Because I just wanted to sort of stay on Jim's point. I mean, if we sort

of step back and we talked about the aging out process when we age out of poverty into this new arena, is there a way that we sort of track that over a period of time as to what is the rate of aging out and --

MR. BOWERS: Stan, I'm sorry, I can't hear you.

MR. JACKSON: I'm sorry. I was still sort of stepping back, Dave, and asking about the aging out of poverty and this whole homelessness category. And the question was, is there some historical data that talks about what is the percentage of people who are aging out? Are we going back to that younger band of folks who don't have the skills to be employable? What is that experience what we've seen if we look back over a period of say three to five years? What is the rate of that aging out process because we've seen neighborhoods that we know when you've got, you know, 80 plus percent are single female head of households with young kids whose projectory are going to your point,

Dave and to your point, Jim. It's scary because there is no horizon that you can address. So I would just --

MR. TWEEDIE: So I think to your point there, based off of the years of information we've looked at, that's a helpful reminder that even our less vulnerable families and singles most likely will not exit homelessness to much more than poverty. So these individuals will see successes moving from homelessness to housed, but not necessarily homelessness into the middle class, which is a challenge.

But I would say that that is very unlikely that individuals will approach anything beyond even a 30 percent AMI based off of what we've seen so far.

MR. BOWERS: Bob?

MR. POHLMAN: Yeah. One of the things I think helped clarify some of this for is the basis for these different assessments. It doesn't sound like it's -- it isn't necessarily for instance, distinguished between permanent

supportive housing, rapid rehousing, the ability to earn a wage sufficient to rent an apartment. It's a different basis.

So what are the different basis for these three categories, really? What distinguishes them?

MR. TWEEDIE: Great. Yep. So it's on the single side, it's 15 sort of different buckets involving 50 different questions on an assessment that looks at things like since you've been -- how long have you been sleeping out on the streets? How recently are you attacked? How often do people steal your money? What medical conditions do you have? Is there any evidence of substance usage, presenting mental health, talking or interacting with voices who don't exist. And based off of the sum total of some 50 something questions, then that builds the recommendation on the single side.

On the family side it looks at 80 different components across 20 different

buckets, and looks at the same sorts of themes of what does managing tendency in your unit look like from the past? What is any presenting family crisis? So are children in the family being asked to absorb tasks traditionally associated with the head of household? Is your 12 year old having to play mom for the family? What does your interaction with criminal justice or CFSA look like? Things like that.

So just substantial set of buckets. It's the same assessments that's used in 130 communities, though, across the country. So it's the best practice for determining the vulnerability on the assessment side. There's a lot of components.

MR. POHLMAN: Between rapid rehousing and minimal intervention.

MR. TWEEDIE: Uh-huh. Yes.

MR. POHLMAN: What's the criteria there?

MR. TWEEDIE: So it's drawing on the same sort of questions. But it's just how of these different potential vulnerabilities, how

many does a family recommended for permanent supportive housing have, versus a smaller set of those vulnerabilities for families recommended for Rapid Rehousing, and even smaller set of those individuals being recommended for that minimal housing support. So it's the same sort of buckets that get them there, it's just less of them. Less of the vulnerabilities.

MR. BOWERS: Let me ask an oversimplifying question. And, David, I saw your hand. It's related to that point, because what I'm hearing your answers kind of indicates, there is a quantifiable kind of --

MR. TWEEDIE: Assessment.

MR. BOWERS: If you tick 10 of these you're in this bucket. If you're six of these you're in three. Are there a couple of qualitative kind of the essence of type thing, so to speak? And what I mean by that, you know, in order to go -- one of the key distinguishers between rapid rehousing versus minimal is not just if you're at six versus three so to speak,

but it's can you do this or are you struggling with that? Are there a couple of qualitative things that kind of capture the essence or is that --

MR. TWEEDIE: Absolutely.

MR. BOWERS: Okay.

MR. TWEEDIE: Yes. So both of them involve a very in depth look at not just what is the individual reporting, but what am I observing based off of my interaction with that family or single individual. On the single side of the 20 different possible points there, four of those points come entirely from outsider observation and the surveyor themselves know. On the family side every single point comes from what's observed, what the individual describes, what the family releases from the outside systems. So if they released, okay, yes you can talk to them medical history or legal involvement, then you're able to glean that. And what they know from their own interactions.

So both the assessments substantially

involve that qualitative piece.

MR. BOWERS: David.

MR. ROODBERG: I think between the last meeting and this one what sort of has clicked, and Jim's question started it as well, is that the Housing Production Trust Fund is the bucket is at 30 percent and 50 and 80 and even 30 percent, the lowest, is too high for the people in here. So I guess -- and they're not likely to get to that. But there is a problem here.

So I guess the question is for the Housing Production Trust Fund dollars, is some of the 30 percent money need to be, you know, used here? And it may even be a different product type than what's been developed, especially when such a high percentage are singles. Or is that something that needs to be done through subsidies of other groups in the city, you know, that work on the homelessness and works on shelters and things like that. You know, and is that going beyond the scope of what the Housing Production Trust Fund dollars are?

Or should some of the dollars be looked at for a lower bucket, because it's clicked in my head with Jim's question starting that, it's just at a whole different level than even the 30 percent level.

MR. BOWERS: Yeah. And I think building on that observation, that notion of Jim's point earlier, there is a population who most likely are going to need housing subsidy for a long time, given the high cost of the market and the like. And so the question then becomes, how much and where does that subsidy come from? And how is that subsidy, you know, coordinated. So right. How much of that comes from HPTF and how much of it doesn't currently? But looking forward how much should come from here and how much should come from other agency buckets? Should come and can come?

MR. TWEEDIE: Because we're wanting to connect the demand to the supply.

MR. BOWERS: Right.

MR. TWEEDIE: And the gap or the chasm

that we see currently would beg the question of, would it be better to narrow the quantify of supply but to have part of that subsidy offset the cost to make the unit more affordable? That way individuals who were assessing actually could be housed by it because otherwise I imagine the individuals or families who are housed are going to be individuals who are part of the broader less vulnerable population.

So if we're really trying to target the consumers of our services, we'll have to be able to -- there might be value in having less quantity of units if that's -- the existing cost could help off-set that so that the quantity that is available is made affordable to individuals that we're assessing.

MR. BOWERS: So I see Jim and then a hand in the back.

MR. KNIGHT: Take that one. I'll go next.

MR. BOWERS: Sir, can you step up just close to the microphone? We'll open this up and

you know, identify yourself for the record.

MR. HAYDEN: Yes, hi. My name is Robert Hayden and I work for the Portfolio and Asset Management Division. Is that I'm overhearing the conversations and I always hear the terms public subsidy. I think that we should look at it from another point, almost as a developer. Why don't we bid properties build that are permanently built and paid for so that you don't have a permanent subsidy, that in turn, like say if a person can only pay $30 a month, that's all they're paying, where the government end would be to have a management company to properly manage it.

And in other cities they've done an exchange program. Say for instance like on 9th and P Street, you have a public housing building in which a developer would like to have, and say the appraised value is $125,000, and the city says, we're willing to exchange this for $60 million, but with the $65 million surplus we've identified district parcels in which you can

build and a permanent housing in exchange for that. So in essence what we've said is that we've taken a property in a prime real estate area and moved it to another subsidized, to vacant parcels that we have to have the builder build it in turn. So therefore we don't have a permanent subsidy.

Say if we have it and it has 500 units, those 500 units are paid for. What we're dealing with is a management company, say for the city, and we're dealing with mental health and other groups that could come in and to do all these things for that. And also having job programs and stuff in there for, as you say those who are 18 to 25 who don't have employment where the developers who are building, you have the fact to where they can learn HVAC, they can learn plumbing, carpentry. Where in turn we're not talking about a person coming out on minimum wage. We're talking about a person with an actual living wage, who in turn can work their way out of that particular system.

So if you have someone who can go from say poverty and able to get a trade where they can go to $35 an hour, these are people who we no longer have to subsidize at some point. Whether it's three years, whether it's seven years, they're moving out of these developments that we have and in turn we're backfilling developments with people and where we'll be able to deal with certain things.

Say in the end someone has a subsidy and they're permanently handicapped. That's a permanent subsidy. We can identify certain buildings as we're having them built where we have one for seniors and people who have a disability, and where you have then housed within the buildings, you have district types of things in which you can help those people to manage what they're doing.

And what I'm looking at for HBTF and other things is that if you take the vacant parcels that the District has -- the District has about 6,000, and you combine them together,

and you use some HBTF money, but also you look instead of doing stick build, you do modular build. So therefore you're saving the cost of development. And if we have a number specific, say we have 1,500, we're looking at 1,500 units to have built in this particular time. And each year as it goes in you're looking at the HBTF money, instead of using it as a subsidy, the HBTF money is actually making a permanent residence where we can identify the goal. We may say that we need to have 15,000 units of public, you know, housing for people who we anticipate that particular number. And we can gauge out and say, okay, what does the city have that we can exchange? What's the value and how much do we need to build and develop, and what other services do we need with that to help the homeless and the poverty.

And so you may say that that number could be $850 million. It's a permanent solid number that you're working with. You know, you're not saying that I anticipate as this was

saying, for $850 million we can house 14,750 people, and the services will cost this amount of money. And so therefore we have a permanent number which we're looking at. And we can say that we can do 1,800 units every 18 months by a set of developers. So we're looking at that number continually going down. And as you're saying for rapid housing, that we have you know -- we may have, say, 150 units which are just modularly developed, which are for rapid housing.

So when you have a group of people that all of a sudden they become homeless, is that that group can move into those in a temporary status until other permanent units are built. So you have supply continually going over instead of us looking at permanent subsidy for say 35 years down the line.

MR. BOWERS: Thank you. Thank you. Jim, I saw your hand as well?

MR. KNIGHT: Yeah, just taking in a lot of good thoughts there. Thank you.

I confess what I've been trying to solve for is, is what is that ideal housing type and cost of rent for the people who are screening into the rapid rehousing category. And there certain are ways like that to build stand-alone properties on vacant land and hope we will consider those.

Just trying to get back on this question for a second. The number, the contract rent that is going to be affordable to this group of people is below 30 percent AMI most of the time.

The rent subsidies are set to trigger at 30 percent AMI. Is there any reason to consider whether there would be units built with contract rents in the 20 to 30 percent AMI range that are not subsidized by a rent subsidy but are subsidized up front with a capital subsidy, and are therefore affordable for their life at that rent level?

I was guessing last time that these might have been 35, 40, 45 percent rents, which are a little more financeable, but are we

willing to consider that? Are we willing to consider building units that have contract rents at 20 and 30 percent AMI using Trust Fund capital to get there? And what would those projects look like? Is it 10 percent of the units and everything that comes out in the next couple of years? Or is it stand-alone sites where we're taking vacant land and just piling all the resources into one place?

We've got to build these units or the residents that are being scored in these assessments aren't going to have anywhere to live.

MR. BOWERS: Yeah, go ahead, Director, please. Yeah, yeah, yeah.

MR. KELLY: I'm sorry. No, you're really talking -- you know, this is such an important concept, and also one that is brain damaging when you look at trying to find the calculus between capital and ongoing subsidy, and how much capital on the front end will offset the ongoing subsidy cost. So I know that

we've gone through a lot of stuff, particularly the Department of Behavioral Health early on to see, you know, how can we swap out that capital dollars that they have available to convert it into a subsidy source?

And it's something where you almost have to have like, you know, 15 years' worth of capital frontloaded almost. Or it's not -- but you have to have -- that's where you start to look at how much, how long term are you going to have to front end on that to ensure that the subsidy costs are kept low enough on this thing. And it's worth -- I mean, clearly worth pursuing.

And I think, you know, maybe that's a dovetail to Robert's thought too, is the idea -- is getting much more aggressive. Dangerous, but getting aggressive in a -- you know, we've recreated a local, for all intents and purposes, Housing Choice Voucher Program. You know, converting having a local public housing program. I mean, that's where you look at the

city really taking aggressive look. And I know, Nathan, I've been fooling with this opportunity to purchase and trying to get some meat on the bones of that. We're now looking at with Jose. It's really just a tool for opt outs so that we can -- you know, when you look at that situation where someone is at the end of their 15 year period, opt out period, that the District can come in and do something in numbers to basically maintain the building.

But the other flip side, and again, this can be very expensive, is to really just get very aggressive about that and say we're going to use this tool to purchase and build. And maybe that's where you start to bridge that calculus issue that I have about, if you build it straight up everything is just paid for, then how long can you go with the low rents covering the cost of utilities, et cetera?

MR. KNIGHT: So can I just follow up one point?

MR. BOWERS: Yes.

MR. KNIGHT: The irony is that right now in the District of Columbia PSH units are financeable, because we attach the LRSP to them. And so they pay a fair market rent and can support the debt of a project.

So the development community has no issues on the numbers side, building PSH units because they pay for themselves. The social side is a little more challenging in trying to prepare services and support, so long with it is what you're doing now by matching developers and service providers in the RFPs.

So we've come to find a way to address that locally. What feel so promising to me about what Sue and others are saying is that, you know, the household gets caught in that subsidy. The household is forever subsidized in that, and so their annual certifications, the whole life of being subsidized it is so oppressive in some ways to people. So how do you build a unit that doesn't require that, if the rents are up at 40 and 50 percent AMI levels you

can sprinkle those through developments and you can afford them. If they're 20 and 30 percent AMI do we have the will to afford those? And where the RFP comes out and requires five percent PSH units in every project, could we add 10 percent rapid rehousing to every project knowing that those are going to be contract rents in the six and $700 range and are going to require more capital up front.

MR. SIMMS: I think the question is, how much, how big because I mean, I think we've already seen the numbers in terms of when you fund it, zero to 30 percent of AMI in terms of what the subsidy number is. So I mean the reality just becomes down to, I mean, how many people and is this sustainable. I mean, we could build -- I mean, the majority of the -- I mean, well, 40 percent at least is dedicated to zero to 30. We have done some projects that they've been below the 30 percent HPTF rents.

But the question really becomes how sustainable is it at the end of the day and how

many do you have to keep on building because I mean, I think everybody has made good points. But I mean, some things you just can't build your way out of. So I mean, at some point you have to really say, you know, this is the contribution I think that we're making towards the effort. I mean, I think other pieces have to move along the way to be able to make it work. And even if -- I mean, while everybody was talking I think I was thinking about like ACC because I mean, that's a shallow subsidy and it's small, but it could, you know, if the rent is you know, 400, 500, or even $700, I mean, that's a huge portion that could be covered.

So, I mean, it's just a way of just trying to kind of figure that out. It's not necessarily -- not probably really financeable in terms of that subsidy, but at least it relieves the tenant in terms of the burden.

MR. BOWERS: Let me just do a time check real quick. So we'll take five more minutes on this topic then we'll move on. Director?

MR. KELLY: Sure. Jim, are you suggesting that looking at without having the lowered supplement or a type of -- that's the wrestling match right now. And again, what becomes the point that a family can really afford that and not have to be tied to that. It's intriguing, but again I think it's going to be mind numbing.

MR. KNIGHT: I can speak a little bit about it because we did one a few years ago with the Department. The Department did one with a Jubilee project where there are rents without operating subsidies at 22 and 28 percent AMI. And so we've seen it done. It was expensive and the Department said we don't want to do much more of this. So acknowledging that and -- but going back to what our true need is, can we quantify the number of people that need this housing, and can we come up with a production plan that says we'll build it over this amount of time, and can it be spread across enough projects to where no single project is carrying

all of it, and spread it so it's more affordable across the whole --

MR. BOWERS: And I guess the conversation -- and I think Nathan maybe was alluding to this. In the context of a conversation about demand side, with I know a year ago we were all brought together, there was this thought -- when the Housing Task Force was brought together a couple years ago there was this thought about, okay, supply and demand, supply and demand, with demand kind of being a proxy for how do we help people make more money so they don't require housing subsidy. Kind of to over simplify, but that was kind of the essence of it.

So I think, and to Nathan's point one of the things is if the conversation is about demand, then one of the question is how do we use the monies that are in the system to help people get to a position. And I think, Jim, you said this earlier, where they can make more money and have less reliance on public subsidies

for their housing. And one of the things I was hearing was that -- and I apologize, I stepped out of the room for a part, but it sounded like from the analysis that's been done there are some people who are in that bucket, but it seems like there's also a chunk of folks who are -- and God only knows where any of us will end up down the road, but it sounds like based on the analysis there's some folks where there's a reasonable expectation they may be in a lower income band for the foreseeable future.

Then the question get raised, okay, how much building of housing that's going to require -- whether it's a long-term operating subsidy or an upfront expenditure that keeps it affordable to people at that income level, like how many of those units does the city want to subsidize or build? Right? And I think that then becomes a question. And I don't know that there's a right answer to that, but I think that's a question that has to be wrestled with.

Do we want to have housing that's

affordable to people at zero to 20 percent AMI for, you know, 1,000 families, 500 families or individuals, 2,000, 5,000, what is that number? And is the expectation that, you know, how many of those folks will cycle out versus how many of those folks are stuck, quote/unquote, because of their incomes. So anyway, it's just a thought.

David, I saw your hand up.

MR. ROODBERG: Yeah. I mean, I piggyback a little on what Nathan was saying. I think that maybe it's expensive delivering a lot of these units. So there's probably a fairly limited amount the Housing Production Trust Fund can deliver, can decide if it does. You know, but going back to also to the previous meeting where you talked about the costs of homelessness and the cost of here, and the emergencies and everything else, I think it is a much bigger issue than this Board, that some of the funds should be able to come from other sources that those costs start coming down if you're able to house the people. But how do you bring

everybody together to have that discussion, that if we take this $50 million a year we're spending on these things, let's use X of it to, you know, provide housing which should reduce it. But I think there's probably a fairly limited amount that existing Housing Production Trust Fund dollars can go towards; that there's some we can decide, but probably it's a bigger discussion involving other parts of the city dollars to look at delivering more and taking some of the dollars like, okay, we can save X dollars by delivering units.

MR. BOWERS: Right. Right. And to that point, and that actually came up in one of our meetings several months ago, and we have folks from several of the agencies here. And I guess with the consolidated RFP that's now going on, is there -- I call it the, you know, the war room, the peace room. Is there a room where somebody goes, where somebody keeps a listing that says here are the agencies that provide X amount for housing and services to these

populations. Is there that kind of overlay at this point where somebody can ring the bell and anyone within the public sector goes to a room and they can put up on a board and says, all right these -- and I'm just making up numbers -- these six agencies are providing resources to help this population from a housing and services standpoint. Here's how much each one provides and here is what the money can be used for.

Is that being done now? Does that exist?

MR. SIMMS: I mean, they're doing that partially in terms of the assessment, with the assessment piece, through ABT Associates is doing that, I think.

MR. TWEEDIE: Possibly. My engagement with it is that for housing agencies dedicating any portion of their units towards this assessment pool, they can supply this broader, what we call our coordinated entry group, with their count of vacancies and the eligibility criteria for their provider. And then we send

that housing provider people from our registry that meet their eligibility criteria to fill that vacancy. So it's not coming at it from exactly this situation you're describing, but there is that body that connects assessments to vacant units.

MR. KELLY: Mr. Chairman, I think that -- I'm sorry, Jim, just I --

MR. BOWERS: Let me go to Director and then Jim.

MR. KELLY: Just really quickly.

MR. BOWERS: Yeah, I'm sorry. Director, Jim, and then Chris, and then we'll move on.

MR. KELLY: Because, you know in NOFA we actually showed what the various agency contributions would be for this year. So I don't think we're at the point now of like, you know, seeing what did that pay for.

MR. BOWERS: Uh-huh. Uh-huh.

MR. KELLY: But I think the framework is there.

MR. BOWERS: Uh-huh.

MR. KELLY: We tell everybody, this is how much we have on the front end.

MR. BOWERS: Uh-huh.

MR. KELLY: On the back end we almost have to say, okay, this is what people said they were going to give.

MR. BOWERS: Right.

MR. KELLY: And this is how it was actually utilized.

MR. BOWERS: Yeah, because I was thinking, to David's point, that notion of if that kind of system, that platform was set up to build upon what's there and the NOFA to say here is who is providing what, here is what it's supposed to buy, here is what it's actually getting, and the results of that to kind of track it. And then to see kind of, okay, what are the gaps? Is there a need for more operating subsidy, is there a need for more up front capital subsidy? Is there a need for more service dollars? And really being able to kind of lay that out.

Jim and then Chris, and then we'll move on.

MR. KNIGHT: I think I was just going to try to summarize as you did.

MR. BOWERS: Chris. And if you could come so we can get you in the mic and identify yourself for us, please.

MR. DICKDERSIN-PROKOPP: Good morning. Chris Dickdersin-Prokopp, DHCD.

Just as you guys were talking I did some numbers from the last couple of years that projects we're underwritten under the NOFA. The typical operating costs per unit is $6,500 a year. And plus or minus, depending on different factors. But $6,500 a year, comes out to about $540 a month. So just the operating side of household needs to cover $540 a month, which means they have to earn $1,800 a month, which is a lot higher than these households are earing. That's $21,000 a year. So maybe around the poverty level.

That sort of, depending on household

size, that means an individual would be earning 29 percent of the area median income. A household of three would be earning 22 percent of the area median income. You know, on the capital side that really is far down as the city can underwrite a project. Which means --

MR. POHLMAN: No, debt services. The 540, no debt service.

MR. BOWERS: Yeah.

MR. DICKDERSIN-PROKOPP: Right. Right or right.

MR. BOWERS: Just (inaudible).

MR. DICKDERSIN-PROKOPP: Yeah. And reserves. All operating expense, which means we could frontload an operating reserve. We could put in HPTF money for 15 years with the operating reserve, but really that's an ongoing operating subsidy. So just think about what percent of the population in the city is earning less than $21,000 a year. Just sort of the gap that -- there's a big need for operating subsidy.

MR. POHLMAN: One thing that we should -- that never gets talked about is the 30 percent of income as the benchmark for what you can afford to pay.

Now, when it comes to rapid rehousing we're pushing people up as high as 50 percent. But when it comes to our calculation of subsidy, we're always saying, oh, it can't be more than 30 percent of your income.

Well, there's tons of people out here who aren't getting assisted housing that are paying way over 30 percent, that are very low income. So I think this is out of balance. I think we have to look at drawing that percentage to go up and not just stick with this absolute 30 percent of income as the benchmark for what you can afford to pay.

MR. BOWERS: I know one of the things HUD and some folks in the industry are starting to look at is H&T, kind of housing and transportation costs and seeing if there is -- you know, do we move the lines if people have

lower transportation costs, but higher housing costs, and does that 30 become 35 or 40 or whatever the numbers may be.

Sue, I want to thank you all both for -- and David, for coming back and sharing with us. It's a lot to kind of digest, and actually one of the conversations we're going to transition into about recommendations for new administration. I think we can kind of start to rack our brains around is there anything from this demand side piece that we want to include in that. But I want to thank, David, you for coming and all the work. And Sue, for sure.

Let us move on, and then in the agenda, as I said, we'll transition. What I'm going to do is pick up on number -- let me actually do a number -- we're going to go to 8A and then 4, because I know one or two folks may have to step out early on this.

But before we do that, actually at a recommendation I do think this makes sense for us to actually go back and revisit something we

did earlier in the meeting. And we earlier had said we would have the prior meeting highlights approved tentatively subject to any changes, but not posted until after January.

I want to see if we could -- if the Board would be open to actually changing that and allowing DHCD to post those prior meeting highlights as tentative, subject to the final approval in January. Is there any objection to that?

Okay. And seeing no objection, hearing none on the Board, we will allow then the meeting minutes to be posted with a note of meeting highlights being tentative.

We'll go to 8A, and the status of the mayoral nominations for reappointment. Bea, any updates you want to give to us on that, and then we'll go to number 4 and drill down on that?

MS. FIELDS: Yes. Last week the Committee on Economic Development marked three of the four reappointments. They approved reappointments for Sue Marshall, Oramenta

Newsome, and David Roodberg.

The council for, general councils for the Council of the District of Columbia, has ruled that David Bowers has served, or has a resolution for two services. And under the Housing Production Trust Fund Act you cannot serve more than two terms.

So in this particular council, which ends at the end of December, the position would have be taken up with the new administration as to how they would want to handle that. But he can serve in a holdover position for up to 180 days. Takes you until July.

MR. BOWERS: So you may not have old Dave Bowers to kick around anymore. As your chair. So we'll keep plugging away. Thank you for the update, Bea, on that. So the Board should be intact going forward. My status would be iffy but certain here until a new chair is -- you know, I'm continuing, which may not happen given the way the council's legal are looking at it. But I'll keep plugging away until we get a

new chair, which will probably be several months into, once they kind of work through all the machinations of everything.

Any questions on that from the Board members?

[No audible response.]

MR. BOWERS: Okay. Thank you.

MS. FIELDS: And may I also add that the nominations are scheduled for consent consideration -- final approval.

MR. BOWERS: Okay. So all right, that's great. Thank you, Bea.

Let's go to Item No. 4. So the discussion item about the Advisory Board. The identification of any key Trust Fund matters for the new mayoral administration. Yes, Craig.

MR. PASCALL: Before I leave.

MR. BOWERS: Yes.

MR. PASCALL: I apologize. I do have --

MR. BOWERS: Get in anything you want to say. Get it in now, right?

MR. PASCALL: I do have another meeting.

MR. BOWERS: It can't be controversial in any way if you're going to leave.

MR. PASCALL: No, no, well, I'll throw some bombs and then leave. No.

MR. BOWERS: Right. Yeah, right.

MR. PASCALL: But my first one is -- no. But I think -- thank you very much and I just at this juncture I do want to say, you know, based on recommendations for what we should do in the forward, you should always look past and see what worked and to continue. And in that vein I do want to compliment the grade administration and the leadership at DHCD because I think we made a lot of strides during the last four years and I want to put that on the record.

And I think the three things that I feel that worked best was that we made great strides to have qualified developers get these transactions with our limited both federal and local dollars, and by that I mean, you know, that they were unwritten. They weren't friends of people. But they were real legitimate. And

I would hope that we continue under the new administration that the people are qualified people and not friends of people, which was sometimes in the past, getting the award dollars. That's the bomb.

Anyway, and then the rest are pretty soft. The other thing that I think that worked was the work in the last couple years, greater work and partnership with D.C. Housing Finance Agency to prescreen and underwrite tax credit and bond deals so that to save time and money because time is money to allow those deals to move forward in a more efficient manner.

And the third thing was the great work done with public support of housing, both in terms of the number of people that were -- or units that are assigned within NOFA to get public sort of housing. That was a major milestone in the last four years, and of late. Just, we've got to continue. As long as the continued alignment of service -- the better alignment of service dollars to the Housing

Production Trust Fund.

I want to, you know, compliment Oramenta on her discussion on starting the leverage discussion and hopefully while that didn't get past, you know, the goal line in this administration, the discussion is started and hopefully that will continue under the new administration.

And then finally, you know, I think we made a lot of great strides, like I said, public supportive housing, DCHA, a lot of partnerships and I've been in this field for a long time and I think the one thing that is not, and could be strengthened, and it talks about but is not done, the sort of these walls and things like that, is better discussion with workforce development. I recognize that there will be a large percentage of people, let me put on the record, that will not have income and but there will be some people that can have income and can -- and our desire is to have, you know, living wages and greater.

So I think in the next four years, if there could be more of that area of expertise in the dialog and in the room, we got in the last four years the support -- primary support housing and the behavioral and all those -- I learned more acronyms in the last four years than I ever heard in my life. So we got a lot of those acronyms in the room, and if we could in the next administration get more acronyms related to workforce development tied to Housing Production Trust Fund and the federal dollars, I think that would be a good place to start.

And having said that, thank you very much. I do want to thank the leadership here in the room for their great work.

MR. BOWERS: Thank you, Craig. Appreciate that.

I want to ask, process wise, if we can kind of bullet out, and Craig has started us on the list, issues that Board members would like to recommend us bring into the administration, and then we can have discussion about ones that

we say, oh, we're in agreement on that or maybe not so. So there was the e-mail that we sent around that I had sent to start a few issues, Bob responded. So let me just mention those so we kind of have those by way of reminder.

One, the need to leverage the Trust Fund, Housing Production Trust Fund capital, to implement the acquisition loan program and move forward with the development of a permanent financing effort. So that was one, kind of all under the bucket of leveraging continuing that.

Two, was the need to ensure income targeting required by the Trust Fund statute, or MET, examine of the NOFA requirements/incentives are the most effective way of doing that.

Third thing, suggestion for consideration was the need to continue the consolidated NOFAs with other agencies, developing an even more coordinated system of identifying policy objectives to be met with the NOFA and systems to leverage appropriate dollars.

Fourth was maintain the structural change to the Trust Fund account that was done in the last year, the effort that Bob helped lead the Board on with that.

And then there were three issues that Bod had added where in the e-mail it says, "We don't get significantly greater sustained and predictable funding for the Trust Fund. Other effort including leveraging may not be as affective."

So to maintain the stable level of kind of high funding if you would, or higher funding, and keeping it stable.

The second piece from Bob's e-mail, a recommendation that project and sponsor-based local rent supplement should be part of a budget request made by the Housing Authority, supported by the Advisory Board, and that the MOU and Consolidated RFP participants that corresponds with the amount of Trust Fund dollars expected to be awarded. It says project and sponsor based local rent sub must be seen as a necessary

edge on Trust Fund funds for the housing below 30 percent of AMI.

And then the final one, and Bob you can add to this if I'm missing anything here, there should be an agreed upon protocol that is made part of the MOU/Consolidated RFP that matches DHS and DBH supportive services funding with capital and operating subsidy. Specifically conflicts between DHS and DBH supportive services must be resolved in order to facilitate funding of projects that involve both agencies.

Bob, am I capturing the essence from the e-mail?

MR. POHLMAN: Yeah.

MR. BOWERS: Anything you want to add to that?

MR. POHLMAN: I want to talk a little bit about that second one on RSP. I'll give you a great example.

MR. BOWERS: Bob, real quick, real quick, before you drill down let me just see if there are any other like, topics, and then we'll

come back and add that into the discussion, please.

MR. POHLMAN: Okay.

MR. BOWERS: Does anybody -- yes, Jim?

MR. KNIGHT: I've got three that are maybe not unique to what -- they build on some of the things that have been said.

But one that I just think we've never had that we ought to accomplish is to establish specific production goals across the income spectrum. How many 30 percent units should we be building, how many 40, how many 50, how many 60 that an administration should have an idea what the answer to that question is, and then you can marshal your resources around it.

The conversation we had earlier and continued thanks to Sue and her team, understanding of the current homeless population and the profile for the future, what's the right number of PSH units, what's the right number of rapid rehousing units, what should those production goals look like, and how do you fund

it?

And then --

MR. BOWERS: I'm sorry, Jim, you said the right number of PSH and right number of --

MR. POHLMAN: Rapid rehousing units.

MR. BOWERS: Rapid rehousing units.

MR. POHLMAN: Just building on the conversation we were just having.

And then the last one for me builds on your third item, Chairman, and that is to actively recruit more demand side supports into the consolidated RFP process. So what if financial capability, budgeting, asset building groups were in the RFP? What if early childhood educators? What if youth development programs? We could take all of the various supports that any family needs and bring them to housing developments going forward. And could we court them into the Consolidated RFP process?

MR. BOWERS: Great. Any other board members have any other kind of bullets to put on the table before we get into discussion?

MS. NEWSOME: Yes, Dave, this Oramenta.
MR. BOWERS: Yes. Go ahead, Oramenta.
MS. NEWSOME: (Indiscernible) Affordable Housing Utilization Committee.
COURT REPORTER: I can't understand you.
MR. BOWERS: Okay. Hold on one second, Oramenta. So I may have to repeat some of what you're saying to make sure it gets caught on the minutes. So keep going. We're both on the Transition Committee. Keep going.
MS. NEWSOME: Right. And on this Wednesday at, I'm pretty sure, 4:00 at Judiciary Square is the Affordable Housing Transition Committee hearing.
MR. BOWERS: So at 4:00 this Wednesday the Transition Committee Housing Team is meeting. Keep going.
MS. NEWSOME: And they are asking people to come and testify.
MR. BOWERS: They're asking people to come and testify.
MS. NEWSOME: So is it appropriate for a

representative from the Trust Fund Advisory Board to come and testify about the bullet points that you are discussing?

MR. BOWERS: So there is an opportunity, if we'd like, to have a representative from the Board go and testify as to some of the recommendations we may come out of this meeting with. Did I capture it, Oramenta?

MS. NEWSOME: Yes. That's it, yes.

MR. BOWERS: Okay. All right. That's great. Thank you.

MS. NEWSOME: Okay. Bye. I'll sign off now.

MR. BOWERS: Oh, okay. Thanks, Oramenta.

Anybody else, recommendations for bullets before we go into discussion?

Okay. Bob, let's go back. You said you wanted to drill down a little bit on that second one?

MR. POHLMAN: Yeah, on the Trust Fund. I mean, on the LRSP. There hasn't been any

coordinated approach to putting LRSP into the budget. It's kind of been based on advocacy efforts. And I believe it's two years ago, big push, got a very substantial addition for the LRSP, but it wasn't coordinated with the production plan at all.

And to me what needs to be done, and it fits with Jim's recommendation, decide what the goal is in advance, how much money you have in Housing Trust Fund, and then how much LRSP are you going to need along with that to make it work? And then intentionally ask for that amount of money, and the justification being that production schedule. Otherwise we advocated for a great deal of money.

What happened is that it didn't get assigned, didn't get used in an RFP, and the budget office simply cut the funding the next time around because that money had not yet been awarded and wasn't needed on an ongoing basis. Actually lost the money on an ongoing basis.

So it just needs to be coordinated and

requested up front. Yeah, the DBH and DHS, I don't know if those issues were all resolved, but there was conflict between who's in first when it came to funding supportive services for projects that had both DHS and DBH clients.

That maybe is more of an internal thing than it is for a transition discussion.

MR. BOWERS: Does anybody on the Board, given the issues we've heard raised that were in the e-mail sent out, the issues Craig brought up, that Jim brought up, Oramenta brought up, does anybody have questions, concerns, issues with any of those recommendations, questions of clarity, suggestions or recommendations that yes, that sounds good, or no, maybe not. Maybe we wouldn't want to mention that to the transition team? Any thoughts at all? Let me open the floor up now for any discussion.

Stan.

MR. JACKSON: I wouldn't say a concern, it's what's coming up on a regular basis at meetings that I've attended here and I'm sure,

Michael, you've attended those meetings. That is location for these units. Where would you concentrate these units?

I've attended at least four meetings with you the last, I would think 40 days and every meeting was very contentious about the concentration of lower income experiences and neighborhoods that are trying to transition. So I think part of one discussion would be opening up the city to embrace the disbursement of these units so there's not such a concentration geographically in any quadrant of the city. I think that's a real big issue.

MR. BOWERS: And to that point Director or Nathan, does the Agency have a sense of what percentage of units that are funded by Trust Fund dollars are rehab units versus new construction units? Like rough percentage?

MR. SIMMS: No, I mean, we'd have to go back and look. I think the vast majority lately has been more --

MR. BOWERS: For preservation versus

production?

MR. SIMMS: Yeah. Yeah. We've had some -- I mean, to I think Stan's point, we've had some discussions about that. We have an idea of how to address that. You know, I'm not going to put it on the record today unless everyone wants to do so, but --

MR. BOWERS: Speak into the microphone.

MR. SIMMS: Anyway.

[Laughter.]

MR. BOWERS: Right, right, right.

[Laughter.]

MR. SIMMS: No, no, no, no, no, no.

MR. KELLY: He could probably try.

MR. BOWERS: Exactly.

MR. KELLY: Although I think this does bring up a point though, Stan, I've been in the same meetings also. The other kind of push is not necessarily on the local dollars of the Housing Production Trust Fund, but on the federal dollars and the new affirmatively furthering Fair housing, and almost by mandate

having us be in neighborhoods of opportunity. And where one in Tenley Town buys 10 over here, that becomes, I think, that becomes an issue for us.

MR. ROODBERG: Right. It’s the quantity versus the --

MR. KELLY: Right. Right.

MR. ROODBERG: And you can deliver a lot more units where the land unit cost is -- for land is a lot less expensive.

MR. BOWERS: Well, and I've wondered when that issue comes up about concentration, the extent to -- I get it if there are a lot of new units being produced, right? If the folks who are coming in are looking to do preservation of existing affordable housing units, by definition typically, though not always, those are going to be buildings and units at a certain price point, which are going to tend to be in certain areas. Not always. We've had exception. But generally speaking.

So that notion of, we don't have a lot

of old units in Ward 2 and Ward 3, you know, the developers who are looking for preservation opportunities, there aren't going to be a lot of affordable buildings in Wards 2 and 3, right? A lot of them are going to be in seven and eight and five, right?

And so I think to, Stan, to your point, one of the things that kind of all of us have to wrestle with is, if folks have issues around concentration we also have issues about displacement. So as neighborhoods gentrify, you know, new people come in with new incomes, new amenities come, right, if we don't preserve those housing units for folks who are very poor in Ward 7 and Ward 8 and Ward 5, pockets of other places, as those neighborhoods do, quote/unquote, get better transition, whatever term folks want to use, if we don't preserve them, those folks are going to get displaced, then we've got another problem. Right?

Now, if there are new units that are being produced, then I think it does beg the

question, right, how can the city require/incentivize that new units are geographically disbursed in two, in three, in four, et cetera, around the city.

So I think there's no right or wrong. I just think that's one of the things we have to keep in mind when all of us have that conversation about the geographic dispersion is for this Board specifically, where our dollars -- are they going more for preservation or for producing new units? Something.

Other thoughts are -- let me ask -- oh, David, go ahead.

MR. ROODBERG: Yeah, I didn't have anything to add. My only thought is prioritization. I mean, you only get so much time. You only get so much focus, you know, as to really set a prioritization. And I mean, I think it starts with one of Bob's, which is sustaining and maintaining the level of funding because there's been good momentum, we've had the extra dollars for a couple years, and the

concerns about what's going to happen going forward. And to me a lot of the others you don't even get to if you don't have the funding there. Then so, I mean, I would have that like in bold at the top and then work down.

MR. KNIGHT: We're already there. Yet, there's barely any money in this RFP if there's no new money, right? Didn't you show us that last time?

MR. BOWERS: And that's a good point. And so any other suggestions on the list that we have that's been put out. There's kind of the -- let me go into more of a process, just kind of transition us to a process around this. How do we want to engage with the new administration? Do we want to testify at the meeting on Wednesday? Do we want to request a meeting? Do we simply want to send in a memo? You know, kind of what's the process for engaging the administration.

And then in terms of the recommendations that we submit, is it everything but

highlight -- you know, but put them in kind of order priority, that kind of thing. Any thoughts that folks have about either one of those? Recommendations on how the Board engages, meeting versus memo, versus testifying, all the above, none of the above?

MR. ROODBERG: I mean, if the potential is there for meeting, I mean, I think that's always best. Testifying just get lost in a big shuffle with everybody else who is testifying. I'm not sure of everybody's relationships, but I think certainly a meeting, you know, and a memo is going to get lost in the shuffle. But I know in a transition things are very busy so people have limited time to offer up meetings. But if that was available, I'd say that would be best.

MR. KNIGHT: Not knowing much about the transition timeline is -- is inviting the Housing Chairs to the next board meeting too late to -- that is, isn't it? They're moving faster than that?

MR. BOWERS: I think so. That would be

my sense, yeah.

MR. POHLMAN: I understood the transition report is supposed to be done by the 15th of December.

MR. BOWERS: Yeah. I think so.

MR. POHLMAN: And I think something needs to go to the transition, the Housing Committee, as they make their final recommendations. Our recommendations should be at least on the table, one way or the other.

MR. BOWERS: Okay. Stan.

MR. JACKSON: No, I'm sort of agreeing with Bob on that. You know, and just prioritize. My understanding that the Transition Committee is sort of partial to issues based on first 90 days, first year, and then first term. And so within those buckets maybe we can prioritize what we think are most critical, so that they fall within one of those first 90 days, first year, first term categories.

MR. BOWERS: I'm wondering if it makes

sense to submit -- do kind of the both and, submit, do a memo, letter/memo that would go to the administration and the transition team, and request a meeting with the administration. The mayor, chairs in the Committee, et cetera, whoever we can get the audience with obviously, and do both. Folks feeling comfortable. Kind of a both/and strategy. That way -- does anybody feel strongly that we should go and testify on Wednesday? Yea or nay, or do we need time to kind of get our get our stuff lined up?

And obviously members can go and testify kind of on your own and that kind of thing.

Okay. I saw hands over here. Bob and Jim.

MR. POHLMAN: Yeah, just in terms of order of priority, I absolutely agree on level of funding.

I think the leveraging acquisition loan program needs our support because it was formulated in this administration and I would think we want to be sure that the new

administration knows that we're fully behind that.

Maybe also the continued consolidated NOFA and --

MR. BOWERS: Oh, right. Okay.

MR. POHLMAN: -- as something that should be -- that's not a new recommendation but it's important that that be continued.

MR. BOWERS: Right. Kind of continued and built out, even to the conversation we were having earlier.

MR. POHLMAN: Right, right, right.

MR. BOWERS: Right. Kind of add enhancing the exchange of information that's going on across kind of quote/unquote, "supply and demand side." And even some of the stuff that Craig was talking about earlier, about coordination with FHA, et cetera. So, Bob, let me just capture this.

So there's been some thought around kind of of maybe of the list, the top three might be, one, the issue around funding level.

MR. POHLMAN: Right.

MR. BOWERS: Two, the leverage piece. Three, the consolidated NOFA and building out that whole platform would be maybe the top three, but list all of them as issues. Highlight it.

Jim?

MR. KNIGHT: I'd like to reflect Stan's point about if we broke them into these time segments the way that they're thinking, there are some that fall to the longer view. But if there's no HPTF in this budget cycle we take a big step back.

So at your pleasure, but I wonder if a couple people might be willing to pull this together into a draft that responds to the time frames and circulate, and we could all weigh in on it by e-mail.

MR. BOWERS: That would be great. Yes. And do we have any volunteers to such? A couple of folks who may be willing to take a stab at drafting it?

Bea, I know you've been taking notes for us as well. Would you be able and willing to help maybe work with whatever board members step up and say, hey here are the notes I captured based on this?

Any board members might be -- Bob and Jim?

MR. KNIGHT: I'll help Bob. He's retired. He needs a lot of help.

MR. BOWERS: Duly noted for the record.

MR. KNIGHT: He starts after 10:00 now and works from home.

MR. BOWERS: He starts after 10:00 and he works from home. Bob, thanks.

So kind of timeline wise there is -- just thinking now from a timing standpoint, when we want to make sure we have what we're going to send to the team. It sounds like we want to get something to the transition team by maybe the 10th, because you were saying the 15th is when they're supposed to have recs done?

MR. KNIGHT: I'd try to do it by the end

of the week.

MR. POHLMAN: Yeah, I'd say --

MR. BOWERS: Oh, better.

MR. POHLMAN: I'd say next week, definitely.

MR. BOWERS: Go-getters. That's what we like at this point.

MR. POHLMAN: Sure. You know, the 3rd they're going to get input and I assume after that -- I don't know what they're going to do with the participants on the Housing Transition Committee, but they're going to take the results from that hearing and then they're going to take all the input you've already given, and at some point they're going to start formulating what the recommendations are.

MR. BOWERS: Recommendations. Yeah.

MR. POHLMAN: I'd say as soon after the 3rd as possible.

MR. BOWERS: So if we can -- if Bob and with Jim's assistance will kind of bang out a list for us, they can circulate it to the

Committee members to make sure we're okay with -- and I think, you know, drafting it as a letter from the Board, that would help the Transition Committee, the new mayor and the Transition Committee.

If we can have a target of having final approval by the Board, just looking at calendar. So Bob and Jim, I think if you all could get a draft, if we could have a draft to look at by the end of the week, and we can get approvals. If you can do it earlier, that's great. But I think if we can internally set to have approval of it by let's say next Tuesday, close of business, right? So we get something circulated by the end of the week, I'm going to ask Board members to give any feedback and then approvals by end of the day next Tuesday. And then we can submit something on the 10th. Because I know the transition committee is also -- they have the meeting on Wednesday, the open public meeting. Then they're having a call with D.C. Government employees, I think, next Monday. So

there's something else coming.

So if we can get something to them by next Wednesday I think we'll be good. Any questions, concerns, objections to that?

Okay. By the 10th. So that's great. Thank you, Bob and Jim, and thank you to board members for that, and thanks, Bea for being willing to help. Remember, Bob doesn't start until 10:00, so.

All right. So now we'll keep the train moving. Why don't we go to number 5? And actually, let me actually ask this. Bea, let me jump back to number 8, because this actually came up in the conversation. Can we go to C, under number 8, the update on the recent D.C. Council Legislative Actions, because this actually connects to something David and others are saying?

MS. FIELDS: Quickly. At the last meeting I indicated to you that the council have approved first reading two bills. One, creating a baseline funding for the Housing Production

Trust Fund. That was approved subject to appropriations. So that would be 100 million each year.

Secondly, truth and affordability report was approved, but before we really want to discuss what the impact would be on the Housing Production Trust Fund and DHCD operations in general, I think we need to see the final document that's actually approved by the legal team, to see exactly how the shells, and would be alleged to come out.

And then also there was a first reading on a bill, the Community Development Amendment Act. And it's kind of a local CRA bill which would impact how local financial institutions that want to do business with the District would in fact provide services. And this may be supportive of your acquisition loan program.

MR. BOWERS: Uh-huh. Uh-huh. Okay. Okay. Any questions, comments on any of that?

Let me just say for the record, I know a lot of folks were involved in getting the bill

passed around the Trust Fund funding level. I do want to say our member, Bob Pohlman, and his now former organization of CNHED, and I know Jim, I think is still on the board, a lot of kudos to the coalition for Nonprofit Housing Economic Development for being one of the leading voices in that. And again, I know a lot of folks who were involved, and kudos to everyone. That's huge.

I do think one of the things for us to think about as a Board, what's appropriate or not appropriate, but also in our individual lives so to speak, and our organizations, a similar bill was passed a number of years ago, kind of subject to appropriations clause, and we know where that went. So I think one of the things that we have to think about, it's good to get the marker down, no doubt about it, is kind of how do the collective we, and the community who care about this, can ensure that it is appropriated, right? And that the new mayor and the counsel seek to kind of follow what's laid

out as a marker in the bill.

Again, I just think we should all mull over that so that we don't have a repeat of what happened several years ago.

Now the times are different, we're not running into hopefully, you know, a great recession. But I do think that's something to think about. And I think for us, as a Board to -- I mean, a little bit building on David's point earlier, the extent to which we can talk about how important that consistent funding level is, as Bob's rec had been, but also to talk about how this money is being leveraged, how it's being used, how it's being coordinated. I think all the things that we as a Board can inform the Administration and the greater public about in terms of our work with the Department to try to help get the biggest bang for the buck and impact in the lives of District residents, may help influence decisions when tough budget decisions are being made in budget offices. So just something to think about.

Leverage Working Group update, number 5 on the agenda. Oramenta or Nathan?

MR. SIMMS: So we met a month ago, shortly after this meeting to talk about a number of different things based off of the conversation that we had previously with both the lenders and the developers. We made a lot of good progress, particularly around the tenant opportunity to purchase. So I'm not going to spoil that.

But we made a lot of progress. I think there were some things that were already going on that were brought to our attention recently around that particular piece. We knew that there was some concern about lending to cooperatives. And so we believe that having heard what we heard, factored into how we operate and sharing that with both the lender working group, everyone was fairly comfortable with that. And so I think there have been some discussions about a third-party asset manager being part of those types of transactions.

Someone independent of the management agent, and someone able to advise the Board. And so I think everybody found that to be very feasible as a mechanism.

So I think that the third rail in terms of how we defined it at times is, you know, has been at least solved in that regard. I mean, there's some questions about how to roll it out. We are going to meet with same HUD and I think some other players, probably within the next couple of weeks, to figure that out. But that was a fairly good discussion.

We had talked about some other things, vacant land and how that would be treated in terms of loan to value, and things of that nature. So we have a meeting coming up this Thursday, and it is our last meeting on the out.

So I thank everybody for clearly praying for us because we did get something back from our legal department about it, so we have some comments around it. And generally it was fine. There were some additional comments that we had

to respond to, so we are in the process of doing that right now. And so hopefully this will be our last -- be able to wrap things up and resubmit back to legal.

But hopefully move on to the next step, which is the RFP materials and the agreements.

MR. KELLY: We will make a process that will have input, et cetera, on the RFP process. Now, with some efficiency behind us, what this thing will look like will actually be open to further comment from our partners.

MR. BOWERS: Director and Nathan, any sense of kind of -- and I know this is always a moving target, but where we stand now. What's a projected date on when roughly when we might be going out public with an RFP, all things considered?

MR. SIMMS: We had talked about that a little bit. So we think sometime in the spring is when we would definitely go out with it. Probably have it wrapped up by June at the latest, I would think.

MR. BOWERS: Okay. Any questions, comments, observations? Board members, on that, Acquisition Loan Program? Okay.

So I know we'll, at our next meeting, if Bea we can just have -- I think having this as kind of a standard update item until it goes live will be a good thing to do, and I know by the time we meet again in January, we'll have updates from the meeting coming in Thursday. Maybe the meetings with CNHED and then a few back here (Microphone Cut Out).

Okay. No more questions on that? All right. Keep things moving.

Number 6, update on the Development Finance Project Pipeline.

MR. DICKDERSIN-PROKOPP: Just to distinguish between this and what the mayor announced a couple months ago, the 13,000 units, this decade 2011 to 2020 which included all public agencies, plus inclusionary zoning and AD who is -- the numbers now are just in our Development Finance Division's pipeline.

Forty-nine projects in the pipeline, 33,750 units. Some of these are predevelopment of acquisition loans. Most are either rehab or new construction. Twelve of those 49 are scheduled to close before the end of the calendar year, so the first quarter to fiscal year.

Separate from that, 33 projects under construction right now that will sort of deliver within the next 18 months. Most of those on the earlier side of that.

MR. BOWERS: Those 33 that are under construction, those units, are they a part of the 3750?

MR. DICKDERSIN-PROKOPP: No, they're separate.

MR. BOWERS: They're in addition to?

MR. DICKDERSIN-PROKOPP: Yeah.

MR. BOWERS: Okay. How many units there, under construction?

MR. DICKDERSIN-PROKOPP: I don't have that at hand.

MR. BOWERS: Okay.

MR. DICKDERSIN-PROKOPP: But in those 49 in the pipeline that represents a funding request of 249 million, about half of this is just sort of a -- let's see, a tentative award, meaning they've gone through preliminary underwriting and we announced that they would receive funding, and the other half is further along and they've received a somewhat firm conditional letter of commitment, or are on the verge of closing.

In addition to the 249 million there is 3.6 million and nine percent low-income housing tax credits. And the total development, all of this is totaling up to about 820 million in total development cost. Just to put a magnitude on the total activity we're talking about.

MR. BOWERS: And, Chris, that 249 million, is that Trust Fund money alone, or all city money?

MR. DICKDERSIN-PROKOPP: It's all money that DHCD manages so some of it part of

behavioral health, some is federal money, CBG or home. Probably 90 percent is Trust Fund money.

MR. BOWERS: The Trust Fund. Uh-huh. Questions board members have? Questions, concerns, issues, follow up?

Yes, sir.

MR. KELLY: In terms of tutorials, I think this is the first year doing the Chair 1, Chair 2. I think that experiment was relatively successful. And we get a lot of these closings in this calendar year.

And then the second is just that this particular product is -- we're working the bugs out in terms of real-time on the website. If you want to find out more detail what Chris is talking about. This changes every day but our project managers are now inputting data on a regular basis. So I think in terms of just having transparent tool, this kind of stuff is a real time tool these days.

MR. BOWERS: And I remember in prior meetings on that point, Director, Chris has

walked us through on the Board, the screen, what's on the web. And so where does the Department stand now in terms if somebody goes on the web now they're able to see kind of a real-time where projects stand and all of that?

MR. DICKDERSIN-PROKOPP: Yeah, and the Department's homepage, you scroll about halfway down on the right side, there's a pie chart.

MR. BOWERS: Uh-huh.

MR. DICKDERSIN-PROKOPP: It will tell you all and click there. We've also gotten requests to make customized reports of the same data, all of which is publically available. But specific group wants to drill down, we've done that.

MR. BOWERS: And the projects that were announced by the mayor, are those posted on the web in kind of on some tab or some highlight news or that kind of thing?

MR. SIMMS: I believe so, somebody had just asked me about it just a week -- probably a week ago. And I just said what I had. But I

believe it is.

MR. DICKDERSIN-PROKOPP: There's a section that's sort of split into updates and press releases. There's a chunk to the website's homepage that, you know, lists those as they come out, and no, there's definitely a press release on that, I think.

MR. BOWERS: Good question. So, David.

MR. ROODBERG: Just a comment. I mean, I think there's some data in there that would be great for Bob and Jim for the memo on priorities and continued funding because I think even with the mayor's article a few months ago, because there were so many things included it didn't focus -- you know, DHCD and the Housing Production Trust Fund didn't get the attention in it. And so I'm not sure that from, you know -- it sounds bad but from a PR point of view, that the, you know, that people recognize and understand the amount of level of production and what's coming out of that.

MR. BOWERS: Yeah. And I think the

leveraging piece too, right, the notion of how much is going in from the Trust Fund, how much it's leveraging in terms of development costs, private capital in, would all be helpful. I think that's exactly right.

Bob, were you about -- so that --

MR. POHLMAN: No, I just, you know, I looked at the data that was best out last month on status of the Trust Fund and if all commitments are followed through, we're actually overcommitted by 42 million. Which means that there wouldn't even be enough money in FY 16 if you looked ahead to that year, which you could, for a spring RFP because you wouldn't be making awards until October or later. And I guess I'm just thinking out loud here.

I assume you're monitoring the projects that you made tentative commitments to to see whether any of those are going to fall out, and so on, because the trust -- I mean, the RFP date, you know, if you do it again in the spring, the planning for that is coming up very

quickly. And I guess I'm just wondering what you do with this absent any additional funds for FY 16, whether there's an RFP. Well, I'm sure there will be an RFP, but whether there's any Trust Fund dollars that you can put in them.

MR. SIMMS: So we had a meeting probably about two weeks ago, about the same exact thing. So we began our planning process and we started out by saying the reality is, there may be, may not be, but we're planning for it either way.

MR. POHLMAN: Yeah.

MR. SIMMS: So I mean, and so we're moving in that direction from the workshop standpoint, to finer points we want to make around the NOFA. And so, yeah, I mean --

MR. POHLMAN: Because those letters of commitment are -- there is no legal obligation on any of those.

MR. SIMMS: Correct.

MR. POHLMAN: And there's no certainty as to when they'll get funded. I mean, they could be funded in two years from now, so I

mean.

MR. SIMMS: Well, so the interesting thing is, and that's what everybody says, here's the reality. So we spent two years kind of, you know, refining the process. And the benefit and the curse of that is, you know, we really don't have too much that will probably even lapse fiscal years, to some extent. We have a few. For example, I mean, we have a couple of projects that are going to have lots of reading and we anticipate that that will happen this FY.

But for the vast majority of the transactions we have, they're in that, you know, approval stage or I mean, or coming up to getting approved, or past the approval stage where we're working to closing. So it's real. I mean, it's a real conversation we had with folks who were -- you know, it doesn't seem ready or it's dragging. I mean, we have already kind of a list of folks that we already know that it probably won't happen, and so they will move over. But at the end of the day, I mean,

if the dollars were to stay the same, even if it was $100 million, you know, committed by the council and by the mayor for the next FY, it still we would be -- we referred to 16 as really kind of like a reset type of year.

So we would have to kind of maximize the resources that we have, which are --

MR. BOWERS: Is there an average fallout rate, but kind of over a five -- say a rolling three or five year kind of window of on average what percentage of projects that kind of come in tentative to end up not making it for whatever reason? Or is it just too up and down year to year?

MR. SIMMS: I think it's kind of up and down. I mean, we usually have maybe like three; maybe two or three that may fall out in any given year, but it's usually up and down.

MR. KELLY: Nathan called it the blessing and the curse. You know, the dollars that are coming in with projects that are tighter. And so the dropout rate kind of seems

smaller these days.

MR. POHLMAN: Doing more screening the pipeline is stronger than it has been in the past.

MR. BOWERS: Right. So I think that's something that will be important, as I think to Dave's point that Bob and Jim, you guys draft in that point, number one, the importance of the money because of all the reasons that have been laid out. And the need for, right? And we are having stronger developers, stronger projects come in the door. And there's been this kind of expectation that oh, the city is serious and is stepping up with funds. And so people are out there getting their ducks in order. And if we don't get this funding appropriated it could have these kinds of effects, negative effects.

So, I think that will be good reflected. That will be an opportunity to kind of educate, if that's the right term, folks coming in about the importance of making sure that money is there.

Other thoughts, questions, concerns on this issue? Yes, sir, Director.

MR. KELLY: Just de facto, volunteering Chris again to assist and be with me to assist.

MR. BOWERS: Uh-huh. Okay. Sounds good.

MS. FIELDS: You coming to get me?

[Laughter.]

MR. BOWERS: So we've got Bea and Chris will help Bob and Jim. They'll help. Thank you so much.

Okay. If nothing else on that we will move to number 7, the update on the performance of the Trust Fund Loan Portfolio and the new agency asset management activities.

Sir. All right. Robert is back.

MR. HAYDEN: Hi. I'd like to update, and this will be through the end of FY 14.

As far as HBTF to current --

MR. BOWERS: I'm sorry, identify yourself again just for the record so it will show up on the transcript.

MR. HAYDEN: Hi. I'm Robert Hayden from the Portfolio and Asset Management Division of the DHCD.

MR. BOWERS: Thank you.

MR. HAYDEN: I'm reporting on the HBTF, current allocation as of FY 14.

At the end of FY 14, the ending principle balance was $337,677,625.58. There were currently 206 HBTF loans, and also there was a return on investment of eight percent.

Also I'd like to make a point of clarification in reference to where they talked about the percentages that were outstanding, is that when those percentages were actually reported, they were being reported at the full value of the loan, not the unpaid installment, amount which would have reduced it by at least 40, 45 to 50 percent.

So those numbers, so when you look at that that's more in line with a reasonable amount of an outstanding balance. And then also what I wanted to report on is that for the asset

management contract it's currently at OCP in the final phase and as most people are familiar with, it's in legal. And it goes through many different views. You know, an attorney looks at it on Monday and it looks fine, but they come back on Wednesday after a nice dinner on Tuesday night, and it's a little different and they have to make a modification.

So once it's out of legal then it's prepared for it to actually be sent out for solicitation. So at that particular point, that's where we are. And as I said, with HBTF last year the anticipated revenue was around $6 million. The Agency took in somewhere close to $5 million with modified numbers that are there. So therefore if you're looking at the performance of HBTF it's actually performing relatively well and we look at the point is that we currently have $76 million of the portfolio of the 337 million is amortized. So when you look at the other amount it's deferred. So therefore what you're looking at is $76 million

which is actually doing a return on investment, not the full $337 million.

If you have no questions --

MR. BOWERS: Questions, comments?

MR. KELLY: Well, just this is kind of a game changers. It's a -- we've been trying to get this off the ground for a while. We've actually had some little issues with contracts. When I say game changer we're looking at housing purchase assistance program as well as our multifamily loan portfolio, 7,500 or so total loans. And we've done a great job.

Robert, like in the back and said it will tell you whatever. However sometimes it's really good to have that outside third-party do like a real thorough review of our assets. And so that's what I talk about game changer. I think that we're really looking to establish a good fresh basis. And so decisions about write-offs, having you know, decisions about repositioning our loans are going to be something we can do now in a much more

professional and in real-time basis. So it's one in which we've been trying to get this lead balloon off the ground for a while and it really does look like that we'll get this out relatively quickly for a procurement. And that will be the backbone to this effort.

And I think in further reports to this advisory board, we'll be in a much better position I think to kind of give you more granular updates on this thing.

MR. BOWERS: To that point, Director, is there anything, going back actually to the issues to raise with the new administration? Are there any things that the Department is doing related to the Trust Fund from a, I'll just call it kind of operations and management standpoint, that have been helpful and need to be continued and you think it would be helpful for this board to flag as such, in case there would be a need for support from the new administration? Or is that not necessary because what's going on will continue to go on

and that will just be part of what you all brief and update the new administration on as kind of due course?

MR. KELLY: Well, just -- I guess, Nathan, you can help me with this. But there's just some programmatic level I was going to report on anyways is our revised approach to our property acquisition disposition activities, which I think there could be Housing Production Trust Fund that gets -- it helps to get these projects rolling. It's really looking at, as opposed to auctioning the properties off, have solicitations come in for the best use that has affordable housing built into it. And that's a bit of a shift in our admin approach to that particular program.

MR. BOWERS: So say if you all think of anything you can certain let Bob and/or Jim know, you know, inform them as they're putting together the letter.

Any other thoughts, questions on the report from Mr. Hayden?

Okay. Thank you, sir. I appreciate that.

MR. HAYDEN: Thank you.

MR. BOWERS: Thank you very much. You know, I'll just say I only say on the record, it is very interesting how reports that come out in the media -- this is not a bash media comment, but how sometimes when you peel back behind the veil, the actual stuff can be different than what gets reported. But the nuance is not what typically is being reported. Right? And so why? What's the importance of that?

Again, I do think we should continue to think about either opportunities for us as a Board or individually in our organizations if we have ways to put proper information out, or nuanced information that really gets to into that, to the administration or out in the media, whatever it is. We should think about that because people will latch on to those headlines and then next thing you know, you know, CDBG and Home Funding is cut because an article in the

Post ran that you got a 50 percent -- that's real. That's a real impact from a story that ran and people don't get into the nuance.

So at a local level I think we should be vigilant about that when these reports come out in the media and think about again whether it's us in a formal role as a board and/or individually from our respective seats.

Okay. Bea. Bea, we've got one left. 8B for Bea.

MS. FIELDS: This is a preliminary one that will require some additional action on the part of the Agency, along with the Board.

I just sort of put together for you a quick summary. In looking at the vacant tax assessment it's done by the enforcement and compliance administration at DCRA. And then they send -- they identify vacant properties and they send that information to Tax and Revenue.

So if you go to Tax and Revenue to get it changed they're going to send you back to DCRA. So if you look at the exemptions that are

available, to get an exemption from the vacant property tax, the only one that really seems to apply would be number 5, which is to seek a special exemption from the mayor. And in talking to the general council at DCRA it was -- we somewhat concluded that maybe the way to handle this would be to get a mayor's order that would in fact, within some parameters, utilize the mayor's exemption for properties that are in the DHCD pipeline or are purchased through SAFF or the ALP. Maybe for a specific period of time. We have to have some parameters to push the projects forward.

But for those properties that are vacant that we are working with partners to develop, the difference between $5 a square foot and 85 cents a square foot is tremendous. And in the end if it's a non-profit we may be covering some of those costs.

MR. BOWERS: Right.

MS. FIELDS: Just like the government and the government.

MR. BOWERS: Right. Right.

MS. FIELDS: So in these in second step, we just thought the mayor's order would be the easiest, quickest way through that. We're not sure whether that can happen before the end of the year, or whether that's something to take up with the new administration.

MR. BOWERS: Bob.

MR. POHLMAN: Is there any exemption for land that -- from property tax, period, that's acquired for purposes of affordable housing? Isn't there a three year timeframe in which you have to develop the land before --

MS. FIELDS: Maybe, but I'm not as familiar with it. But I have some sense that there is something.

MR. POHLMAN: Now, they could have changed that when they changed the law on the vacant property.

MS. FIELDS: The reason I'm thinking is that, you know, people do go to the Committee on Finance and Revenue and --

MR. POHLMAN: Yeah, I’m not talking about that.

MS. FIELDS: -- it gets --

MR. POHLMAN: I'm talking about something --

MR. BOWERS: Standard.

MR. POHLMAN: -- in the law. I'll take a look at it.

MS. FIELDS: Yeah.

MR. BOWERS: Mr. Hayden?

MR. HAYDEN: Bea and Board, DHCD has precedence for having an exemption, and that was through the Homestead Program. All properties that were done through the Homestead Program had an HSTD exemption so they weren't taxed. And so the rate was set, it was in essence -- they were almost like an EO, like a tax exempt board in relation to total spending, so if they wanted to look at something to piggyback off, they might have looked under the Homestead Exemption that DHCD did have which would stop vacant properties from being taxed, or whatever -- either way.

MR. BOWERS: Well, it's interesting. When we had the board meeting a few months ago, when we had the stakeholders, and I recall this was an issue that got raised there by some nonprofit developers. And so I'm wondering, they may be getting hit with tax, and so I guess one of the questions is, if they shouldn't be, then they and the city need to be alerted about that. Or if they should be --

MR. POHLMAN: It may have changed because this a very political issue. If you ask the neighborhoods --

MR. BOWERS: Right.

MR. POHLMAN: -- they don't care whether it's going to be for affordable housing, whatever. They want to hit vacant property with a big vacant property tax.

MR. BOWERS: Right. Right, right, right.

MR. POHLMAN: Because they want to force it to be --

MR. BOWERS: Yeah. So I think --

MR. POHLMAN: So it may have gotten changed. I'll take a look.

MR. BOWERS: Yeah. Okay.

MS. FIELDS: It needs more. I mean, this was just a -- give you something to work with.

MR. BOWERS: Maybe somebody -- Bob, if you don't mind bringing -- if you're able to do a little digging and Bea to --

MS. FIELDS: We'll also ask the general counsel here.

MR. BOWERS: Yeah, for an update for our next meeting because if that -- the thought being, I think that Bob's point is well taken, right? There's a sense that you don't want to have vacant property sitting vacant for a long period of time with nothing going on. But the issue that got brought up at the stakeholder meeting was if, the city has awarded money to a developer to do a specific project within a timeframe, once that award is made and there is a clock that's ticking, there is a thought that

tax on that should be -- that tax burden as a vacant property should be taken off for a certain amount of time, while the developer who has been given city money is working on that project.

So, you know, again, if we can figure out of that's a recommendation that's needs to be made, whether that gets into the letter coming up or not at whatever point, maybe that's something that the Board can make a formal recommendation on at some point early in the year, if we find out that that is still happening.

So we'll get updates at our January meeting on that too. Thank you, Bob and Bea, for that update there.

Any other thoughts on that issue specifically? Comments, questions? Okay.

Last couple of things and we'll be done about a couple minutes shortly here. Public comment, any member of the public present? Any comments on anything that's been said so far?

[No audible response.]

MR. BOWERS: All right. Hearing none from our public comments we'll move forward.

The last two things, one, this is very kind of random, but the notion in the Trust Fund statute it says that the Trust Fund can take contributions. This may be my fanciful thinking, but has the Trust Fund ever received contributions? Like private contributions? And like can someone literally just write them a check?

MR. POHLMAN: Twenty-five million.

MR. BOWERS: Say again?

MR. POHLMAN: Twenty-five million on the sale of the DOES building. So, I mean --

MS. FIELDS: Something we got from the World Bank.

MR. KNIGHT: PUDS and linkages and special transactions.

MR. BOWERS: Yeah. And I guess I'm wondering like -- and this sounds crazy, but like the -- so in other words, end of the year

giving. Like if somebody literally wanted to write a check to the Trust Fund, a company, an individual, whomever, can they do that? Is that allowable? And if so, how? And is that ever made public?

It's something to find out. Again, this is a stretch.

MR. KNIGHT: You writing a letter?

MR. BOWERS: Right. Right, you mean am I writing a check? My end of the year gift to --

But I realize this is wild, but it is in the statute. And while it may seem crazy, crazier things happen, particularly in this age of kind of you know, proud funding and all that kind of stuff, that given the high profile nature of the need for affordable housing, given the investment that the city has made, right, and we're hoping that, knock on wood, continue, it would be interesting going from a PR perspective if there is a mechanism where a company or an individual could donate, right, to

the Trust Fund, knowing that their money would be leveraged, knowing there's a platform for oversight, et cetera, et cetera. Whether it's, you know, $5, $5,000, or $1 million. Who knows what might happen.

So it's kind of a longshot, but I just thought, it's something that's been -- if it's possible for people to make private contributions untapped. And people typically don't think of, well, I'm going to give to the government. Right? But the notion of, if there's a lot that's going on in terms of management improvements, in terms of dollars that are increased dollars from the public sector, increased emphasis on leveraging the money from the private sector and better management, you never know. So, just something to think about.

Any other items of business?

MR. KELLY: Just an announcement.

MR. BOWERS: Mr. Director.

MR. KELLY: Milton Bailey, who has been

a very good friend of this Advisory Board, has accepted a position as Chief Operating Officer for Manna. And so for those that didn't know. Recognize Milton and the good work he's done for the Agency as a whole, and particularly for this Committee.

MR. BOWERS: Sure. Yeah, absolutely. Duly noted there.

Other items of business?

I do just want to say on the record, I greatly appreciate all the expressions of condolence for folks on the loss of my dad. Really appreciate members of DHCD and the Board with messages, prayers, thoughts that folks have sent, called, e-mailed, expressed today. So I just want to thank everybody for that.

Seeing no other business before the Board we will, at 12:03 p.m., stand adjourned and we'll reconvene on Monday, January 5th. Have a blessed end of the New Year, safe start. We'll see you in 2015.

[Whereupon, at 12:03 p.m., the monthly meeting of the District of Columbia Housing Production Trust Fund Advisory Board, concluded.]