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GOVERNMENT OF THE DISTRICT OF COLUMBIA
Housing Production Trust Fund Advisory Board

Housing Production Trust Fund
Advisory Board Meeting

ORIGINAL

10:07 a.m. to 11:25 a.m.

Monday, July 6, 2015

Department of Housing and Community Development
1800 Martin Luther King Avenue, Southeast
Washington, D.C. 20020

OLENDER REPORTING, INC.
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1 Board Members Present:

2 DAVID BOWERS, CHAIRMAN

3 ROBERT POHLMAN

4 SUE ANN MARSHALL

5 M. CRAIG PASCAL

6 CHRIS DICKERSIN

7 OKE ANYAEBUNAM

8 JOHN LESTITIAN

9 DAVID ROODBERG

10 ORAMENTAL NEWSOME

11 STANLEY JACKSON

12

13 Presenter:

14 POLLY DONALDSON, DHCD ACTING DIRECTOR

15

16 Also Present:

17 TONY WADDELL

18 ALLISON LADD

19

20

21

22

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

2 CHAIRMAN BOWERS: Good morning, ladies
3 and gentlemen. It is Monday, July 6th, 2015. It
4 is 10:07 a.m. This is the District of Columbia
5 Housing Production Trust Fund Advisory Board. I
6 am David Bowers, the chairman, and we will call
7 this meeting to order. I would like to go around
8 and have board members announce themselves so we
9 can establish our quorum.

10 So, David, we'll start with you.

11 MR. ROODBERG: David Roodberg.

12 MS. NEWSOME: Oramenta Newsome.

13 MS. MARSHALL: Sue Marshall.

14 MR. PASCAL: Craig Pascal.

15 MR. JACKSON: Stan Jackson.

16 CHAIRMAN BOWERS: That's great. And so,
17 seeing a quorum is established here, we can move
18 forward with our meeting. Thank you all for
19 being here this morning.

20 We ask folks again, if you have cell
21 phones, to put them on silent or vibrate.

22 So, number 2 on our agenda, the

1 Consideration and Approval of the May 6th, 2015,
2 Meeting Highlights. I want to ask board members
3 to take a moment to take a look over the meeting
4 highlights. We thank staff for putting this
5 together. And as anyone has so moved, we will
6 have someone make a motion to accept these.

7 (Pause, board members reviewed the
8 meeting highlights.)

9 CHAIRMAN BOWERS: Yes, sir. Stan
10 Jackson.

11 MR. JACKSON: Can I just ask a question,
12 please?

13 CHAIRMAN BOWERS: Yes.

14 MR. JACKSON: Page 5.

15 CHAIRMAN BOWERS: Page 5?

16 MR. JACKSON: Can I just get a sense as
17 to what's the time frame, the range for the
18 average gap for before the building, two and
19 maybe three-six. What range does that cover?
20 Because we've seen some recent numbers that are
21 slightly greater than that. And so, I just
22 wanted to get a sense as to what's the range of

1 that?

2 CHAIRMAN BOWERS: From the urban report?
3 You mean, what was the time period they looked
4 at?

5 MR. JACKSON: Yes, in terms of
6 determining the gap of about 283,600?

7 CHAIRMAN BOWERS: Um-hm. Or the cost;
8 you mean the cost?

9 MR. JACKSON: Yes. Yes.

10 CHAIRMAN BOWERS: So, I thought the urban
11 report looked at some data. And the Director or
12 Allison may correct us on this, from a couple of
13 years ago, is that right? From about a year, a
14 year-and-a-half ago of their data points we're
15 looking at?

16 DIRECTOR DONALDSON: Yeah. I mean, they
17 look, they used the time frame of 2008 to 2012,
18 and what I'm looking for is what their latest --
19 I mean, it's cited here in their executive
20 summary, that figure on page 4 of the executive
21 summary. But it doesn't say, not exactly, the
22 dates. We can inquire of Peter.

1 MR. JACKSON: Just a question.

2 DIRECTOR DONALDSON: Sure.

3 MR. JACKSON: Other than that, I'm
4 pleased with the rest of this.

5 CHAIRMAN BOWERS: Okay.

6 DIRECTOR DONALDSON: Okay.

7 Oh, Chris, you have an answer? Oh,
8 excellent.

9 MR. DICKERSIN: Yes.

10 DIRECTOR DONALDSON: Thank you.

11 MR. DICKERSIN: Hi, Chris Dickersin,
12 DHCD.

13 We gave them a list of projects from 2011
14 through the present at the time, probably last
15 year. So 2011 to 2014.

16 CHAIRMAN BOWERS: That's great. Thank
17 you.

18 DIRECTOR DONALDSON: Great. Thanks,
19 Chris.

20 CHAIRMAN BOWERS: Any other questions on
21 the minutes? I will note on page 2, we'll ask to
22 have a correction made. On page 2, Roman numeral

1 V, get the correct spelling of Montgomery County
2 Executive Leggett's last name.

3 DIRECTOR DONALDSON: Oh, Leggett, right.
4 It should be e-t-t. Always a good thing with
5 your partners.

6 CHAIRMAN BOWERS: That's right, that's
7 right. Keep things cordial across boundaries.
8 Craig Pascal.

9 MR. PASCAL: In the paragraph below what
10 Stan was referencing --

11 CHAIRMAN BOWERS: On page 5?

12 MR. PASCAL: Page 5. You know, it
13 mentions 83 percent, then 3 percent, 24 percent.
14 That adds up to 110 percent. Sounds like good
15 accounting. But anyway. Is that a numerical
16 issue, or is there something I'm not reading
17 correctly? I could be wrong; I'm not sure.

18 (Pause.)

19 CHAIRMAN BOWERS: Right. That's actually
20 a question we should probably inquire with Urban
21 to get clarity so we can fix the minutes, if the
22 minutes need to be corrected on that. Ask them

1 for an explanation on the numbers.

2 DIRECTOR DONALDSON: It could be that
3 they were just pulling out metrics that weren't
4 meant to add up to 100, per se, because they
5 crossed over different --

6 MR. PASCAL: Yeah.

7 CHAIRMAN BOWERS: Um-hm.

8 DIRECTOR DONALDSON: But we can check on
9 that, as well.

10 MR. PASCAL: Okay.

11 CHAIRMAN BOWERS: Yeah.

12 DIRECTOR DONALDSON: We need to make sure
13 we're speaking into the mic's because our
14 amplification system is not working, but we are
15 recording the proceedings. Not the proceeds, the
16 proceedings.

17 (Laughter.)

18 CHAIRMAN BOWERS: None of the proceeds
19 today.

20 DIRECTOR DONALDSON: Well, maybe we can
21 record those, too. I don't know.

22 CHAIRMAN BOWERS: That would be a good

1 day.

2 DIRECTOR DONALDSON: It would be.

3 CHAIRMAN BOWERS: So we'll ask -- the
4 department will check with Urban on that and see.
5 Allison?

6 MS. LADD: Mr. Chairman, I noticed that
7 in the executive summary, it actually says it's
8 83 percent affordable units, 3 percent IZ, and 14
9 will not receive public subsidy. So it looks
10 like it was a typo.

11 CHAIRMAN BOWERS: Okay. So let's --
12 we'll correct the 24 to 14 percent on page 5 in
13 the first whole bullet in the minutes.

14 Thank you, Allison.

15 Okay. Any other questions?

16 Yes, Oramenta Newsome.

17 MS. NEWSOME: Under the same, the 5,
18 where you corrected Mr. Leggett's name, I do
19 think they like to be called Prince George's.

20 CHAIRMAN BOWERS: Are you on page 3?

21 DIRECTOR DONALDSON: Oh, yes.

22 CHAIRMAN BOWERS: Did I miss that?

1 DIRECTOR DONALDSON: Oh, yeah.

2 (Laughter.)

3 DIRECTOR DONALDSON: In the first
4 reference.

5 MS. NEWSOME: Yeah.

6 DIRECTOR DONALDSON: Yes, yes, yes.

7 CHAIRMAN BOWERS: Oh, yeah. On page 2?

8 DIRECTOR DONALDSON: Yeah, yeah, yeah.

9 CHAIRMAN BOWERS: Thank you. We'll
10 change "PG" to "Prince George's." Yes.

11 (Laughter.)

12 DIRECTOR DONALDSON: Yes. Thank you.

13 CHAIRMAN BOWERS: Thank you. Okay. You
14 may have just kept the door open.

15 (Laughter.)

16 DIRECTOR DONALDSON: There you go. Thank
17 you. Continued collaboration. Right.

18 CHAIRMAN BOWERS: Thank you.

19 DIRECTOR DONALDSON: Any other catches,
20 please come forward at this time.

21 (Laughter.)

22 DIRECTOR DONALDSON: Hi, Bob. Welcome,

1 Bob Pohlman.

2 CHAIRMAN BOWERS: Any other corrections
3 for the minutes before we entertain a motion to
4 accept them, or the meeting highlights?

5 (No audible response.)

6 MR. PASCAL: Motion to approve.

7 CHAIRMAN BOWERS: Craig Pascal has made a
8 motion to approve the meeting highlights.

9 Is there a second?

10 MS. MARSHALL: Second.

11 CHAIRMAN BOWERS: Second by Sue Marshall.

12 Any discussion? Discussion? Discussion?

13 (No audible response.)

14 CHAIRMAN BOWERS: All right. All in
15 favor of approving the Monday, May 4th, 2015,
16 meeting highlights, say aye.

17 (Chorus of "Aye.")

18 CHAIRMAN BOWERS: All opposed, nay?

19 (No audible response.)

20 CHAIRMAN BOWERS: Those will be approved
21 with the corrections that were noted.

22 (The Meeting Highlights for May 6, 2015,

1 were considered, voted on, and approved.)

2 CHAIRMAN BOWERS: I would like to note
3 for the minutes that the board member Bob Pohlman
4 is present. Welcome, Bob, here.

5 So now we'll move on to item number 3.
6 We'll turn it over to the Director of the House,
7 Polly Donaldson, Director.

8 DIRECTOR DONALDSON: Thank you. Thank
9 you, David.

10 I realize now that although we've been
11 very busy inside working on the preparations for
12 the NOFA, we haven't actually -- the board has
13 not met since the budget was approved.

14 And I think that that's an important
15 thing to note in the highlights and in the
16 meeting record, that indeed the Mayor's ask, if
17 you will, or proposed budget, of \$100 million for
18 the Housing Production Trust Fund was indeed
19 approved by the council in its entirety. And it
20 is -- I've seen the budget chapter in terms of
21 what's been printed for next year. So it looks
22 real, and it is real, obviously.

1 So I think that that's an important,
2 first off, milestone to be noted and to note that
3 certainly the interest and the advocacy of the
4 board, its chair, and all of you involved in this
5 know that this is a significant milestone. It's
6 one that the Mayor intends to pursue each year as
7 a way to be consistent in terms of what
8 government gap financing resources will be made
9 available.

10 So, I just want the record to note that,
11 that that's what we're working with in terms of
12 the coming-year resources.

13 Yes, David.

14 MR. ROODBERG: Well, first,
15 congratulations.

16 DIRECTOR DONALDSON: Well, thank you.

17 MR. ROODBERG: Secondly, was there any
18 feedback on things that the council wants to see
19 to ensure for the coming years that, you know, we
20 as an advisory board helped put a focus on?

21 DIRECTOR DONALDSON: Absolutely. I think
22 that they are very interested in seeing that the

1 funds are spent, that they are spent in a timely
2 way, that there is a full understanding of the
3 difference between a preliminary commitment made
4 by DHCD, an obligation made at the time of a
5 closing, and then actual spending that occurs in
6 the course of whatever draws or loan payments or
7 whatever. And they really want a very clear
8 understanding of how that will be used.

9 They're not only interested in the
10 current \$100 million, but they're very interested
11 in the past funds as well. And you're going to
12 hear a report from Chris on the pipeline and some
13 conversation with John Listitian, our new Manager
14 of our Development Finance Division, on how we're
15 addressing that as well.

16 We are in discussions with the Office of
17 the Chief Financial Officer to come up with a
18 slightly different reporting mechanism that
19 would, in some ways, reflect whether you might --
20 if you're more familiar with accrual accounting,
21 it might show what's being accrued and therefore
22 not showing this large cash balance at year end.

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1 That's one piece.

2 Or to look at it, consider it like a
3 capital budget, if you will, or at least account
4 for it in that way. This would be in addition to
5 how they already account for it.

6 I mean, you know, in other words, again
7 to help us with the council, what they want is
8 the ability to be able to explain to their
9 members and their constituents where these funds
10 are going, how they're being committed and used,
11 how many families and individuals are being
12 housed, and corollary, how many units are being
13 produced with what forms of covenant?

14 Because I think that's also of great
15 interest, of how we are building our affordable
16 housing stock, in addition.

17 So does that answer your question?

18 MR. ROODBERG: Yes, yes, it's helpful.

19 DIRECTOR DONALDSON: Okay. Great.

20 MR. ROODBERG: I just, once again, it's a
21 great thing and want to be able to continue it.

22 DIRECTOR DONALDSON: Sure.

1 MR. ROODBERG: I just want to make sure
2 that we look at what we need to help you to do
3 that.

4 DIRECTOR DONALDSON: And I think that
5 that is something that this board has been very
6 key in helping with the monthly analysis of
7 pipeline of presentation. It does come down to
8 the numbers, but also an understanding of, you
9 know, development, of the development process, of
10 the multi-year process of -- the project
11 proposals prepared in one fiscal year are rarely
12 funded in that same fiscal year, nor are those
13 funds spent in that same fiscal year.

14 So it's really trying to help folks
15 understand and address that.

16 The Chair of the Housing and Community
17 Development Committee, Anita Bonds, is keenly
18 aware of the need to do that, as well as several
19 -- at least three of her new committee members
20 are also new to council. So that includes Laruby
21 May and Elissa Silverman and Brianna Doe
22 (phonetic). So, I mean, there's a lot of

1 learning to go on, and that's part of what we see
2 as our role at the department, but I think the
3 board's role as well, in some of that education.

4 CHAIRMAN BOWERS: Director.

5 DIRECTOR DONALDSON: Sure.

6 CHAIRMAN BOWERS: Two things before we
7 move on. One, just to echo the Director's point,
8 in some of the walk-arounds that I did where
9 meeting with council members, there were a couple
10 -- the need for education was very clear.

11 There was literally a council member --
12 and this is not a criticism; we appreciated the
13 openness -- but who literally had us kind of had
14 to draw out a diagram of kind of how the steps of
15 an affordable housing -- again, not a criticism,
16 I appreciated their willingness to say, kind of,
17 "School me on this."

18 But I think that we want to keep
19 reminding ourselves that wearing the various hats
20 that we wear that allow us an opportunity to go
21 in and meet with council members when we can also
22 say, "Oh, by the way, when you're looking at

1 these deals, that notion of the money sitting
2 around," it's kind of the recurring theme -- it
3 has been for years with the Trust Fund at
4 different times -- that really helping them to
5 understand the process.

6 There's a technical piece, but also just
7 in a general sense, what does it take to make
8 these deals happen? What is the timing of
9 things? It could be very helpful.

10 The other thing I was actually going to
11 ask Bob to comment on, to remind folks that there
12 was a push that the board made and got an
13 approval about a year, year-and-a-half ago about
14 a change, when you mentioned the accounting piece
15 under the Gray administration about how the type
16 of account that the trust fund is.

17 Bob, do you want to say a word about
18 that, that piece? Does that ring a bell for you?

19 MR. POHLMAN: Yeah. Well, you know, the
20 big concern at that time was the department had
21 to deobligate all existing loans at the end of
22 the fiscal year and then reobligate them in the

1 new fiscal year, because it was being treated
2 like an annual, you know, a budget.

3 And we talked about it being really a
4 capital-type budget, and could they do something
5 different that would avoid the need to deobligate
6 and reobligate, which slowed things down and
7 caused lots of problems?

8 You know, reloading the budget first and
9 then reobligating and so on -- I don't know if
10 that ever really changed.

11 CHAIRMAN BOWERS: It did. We did get
12 notice. I wanted to make sure that the staff,
13 the new staff, Polly, the Director, and all knew
14 that there was. There should be a record of them
15 indicating that that change has been made.

16 So I just wanted to make sure you were
17 aware. I remind folks on the record, that change
18 happened. I don't if that changes from
19 administration to administration in terms of how
20 they look at it. But that did change did get
21 paid per a request of the board last year.

22 DIRECTOR DONALDSON: So, I believe, and

1 Allison can help me with that, that the fund is
2 now considered in the budget as an enterprise
3 fund? That's reoccurring funding that rolls
4 over? Doesn't mean that they don't show it as a
5 big, fat cash balance even if you do have -- I'm
6 sorry. "Big, fat" isn't the right way to --
7 maybe not the best adjectives there, sir, in the
8 back.

9 CHAIRMAN BOWERS: Technical terms.

10 (Laughter.)

11 DIRECTOR DONALDSON: But, you know, it's
12 a large -- it comes forth as a large amount that
13 has not been expended, when in fact, if you've
14 been monitoring monthly your pipeline sheet, you
15 can add up basically almost to the dollar.

16 Right, Chris? And he'll walk through the
17 pipeline with you to where the funds, at least
18 the funds that we've had in the past, are
19 obligated and going.

20 And as we know, there was some forward
21 obligating, too, as well, forward commitments
22 made. Hence, the rather large size of the

1 pipeline at this point.

2 Let me just continue with a couple of
3 other points. Actually, the NOFA will be issued
4 this summer. We are hoping to be able to
5 announce the exact date very soon. There is a
6 memo with the Mayor at this point in time that we
7 are expecting response very, very soon. And then
8 I can share exact dates with folks.

9 And I want -- I do want the board to know
10 that the basic sweeping principles that were at
11 the top of your list of recommendations have been
12 incorporated into the NOFA. And that one is
13 including the adherence to the statutory
14 requirements, which if you've been with me in any
15 public meeting over the last six months, I think
16 that's the second thing out of my mouth after
17 saying "Hello."

18 (Laughter.)

19 DIRECTOR DONALDSON: Because we believe
20 that that's absolutely not only required by the
21 law, but also, I think, critical to our efforts
22 here so that the requirements regarding the AMI

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1 buckets, which I know the board is very familiar
2 with and has been monitoring and tracking, and I
3 think your input on that was important.

4 And second, we will be aligning resource
5 decisions with the public policy priorities of
6 the Bowser administration in two key areas.

7 Again, I do not believe this is a surprise to
8 anyone, but it follows from the recommendations
9 of the board.

10 That includes the guidance of the
11 Homeward DC Plan, the plan to end homelessness by
12 2020, and to look specifically at the goals and
13 the targets for the permanent housing
14 development, both permanent supportive housing
15 and the targeted affordable housing model of
16 permanent housing, as well.

17 And so, you can expect that that will be
18 encouraged and determinate of some decisions.

19 And the other major policy area that will be
20 addressed is preservation, which again should not
21 come as any surprise to this board. And
22 understand that that is -- that the priority on

1 projects that are addressing preservation will be
2 valued in that way.

3 That's about as far as I can go without
4 the blessing and sign-off. But just, I think
5 this is really very, very much in line with where
6 you all have been thinking and where you all have
7 been acting in the past year or so and I think in
8 terms of what you presented in February.

9 So, thank you again. And stay tuned,
10 again, and know that we will -- I hope to be able
11 to make an announcement very soon, prior to the
12 issuance of the NOFA.

13 CHAIRMAN BOWERS: That's great. Thank
14 you, Director.

15 Any questions or comments, feedback from
16 any members of the board? On the NOFA?

17 (No audible response.)

18 CHAIRMAN BOWERS: Well, I just wanted to
19 say to the Director, I know the board is grateful
20 for the openness and the collaboration that you
21 have had, you and your team, around the
22 consideration of the priorities that the board

1 submitted several months ago and the reflection
2 on that. So, we appreciate that and I know I
3 look forward to hearing -- everyone I know will
4 look forward to seeing the final NOFA.

5 But I think the hope has been for the
6 board in submitting those recommendations that we
7 could provide some input that would help,
8 obviously, for the City in terms of trying to
9 meet those priorities.

10 So it's exciting to hear the progress
11 that's been made.

12 DIRECTOR DONALDSON: That's great. And
13 also, just as an addendum, there will be some
14 process changes in terms of how one will submit
15 the NOFA. We will have be having an online
16 application, and that will be the means through
17 which, and that also will be documented
18 information that can carry over through the
19 intended second RFP, which would be issued in the
20 first quarter of FY-16. And that information
21 could be used in that.

22 So we're doing the streamlining. We're

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1 looking to move, as I think we all say, faster
2 and smarter. But to know also that there will be
3 additional training that we will do once the NOFA
4 is issued to help developers and other interested
5 parties understand and learn the system on that.
6 So that is also in development. I just wanted to
7 share that as well.

8 We believe that will accelerate the
9 process between submission and initial feedback,
10 greatly shorten that process. That's the intent.
11 So anyhow, again, stay tuned, and I thank
12 everyone for their patience.

13 CHAIRMAN BOWERS: I do also want to add
14 one more thing before we move on. When this
15 board got reconstituted, one of the things that
16 across all the board members, I know one of the
17 big priorities for all of us has been meeting the
18 statutory requirements and trying to help the
19 department think through how to be increasingly
20 more intentional about that, meeting those income
21 requirements.

22 And so, I want to again applaud the

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1 Director and the team at DHCD for moving that
2 direction, about being more intentional about
3 trying to make sure that the department can get
4 there to best of the ability. I think that will
5 obviously make a huge difference in terms of the
6 impact it's had in terms of the residents of the
7 District with the deals that are supported. So,
8 kudos to the department and the Director for
9 that, for sure.

10 DIRECTOR DONALDSON: Thank you.

11 CHAIRMAN BOWERS: All right. If there's
12 nothing else on the NOFA, we will move on then to
13 the update on the pipeline.

14 I believe, Chris. And Chris, we'll have
15 you introduce yourself again for the minutes.

16 DIRECTOR DONALDSON: Everyone has in your
17 packet the actual outline.

18 (Pause.)

19 MR. DICKERSIN: So, usually, we just walk
20 through the big spreadsheet of projects that has
21 20 or so columns. And we can do that.

22 If you have specific questions, if you

1 have the spreadsheet in front of you, it's split
2 into three categories this time: Projects that
3 have closed so far in fiscal year 2015, there are
4 11 of those. And then 32 projects in
5 underwriting, 17 are projected to close in the
6 remaining quarter of the fiscal year, and then
7 another 15 right now are looking like they'll
8 carry over into fiscal year 2016.

9 So, that takes about two-and-a-half
10 pages. And then there's a summary table at the
11 end summarizing the number of projects, number of
12 units in each AMI category, the dollar amount
13 allocated to each AMI category. And that
14 summarizes into this chart here. Right now,
15 those 32 projects account for \$198 million and
16 2,600 units.

17 Forty-two percent of the money would
18 assist households at 30 percent of AMI. So,
19 we're good on that target, right. Forty percent
20 at 30 percent AMI; we're meeting that one.
21 Twenty-three percent of the money for 50 percent
22 AMI households, that's where we really need to

1 make up to get up to 40 percent. And then 35
2 percent of the money towards 80 percent AMI
3 households.

4 And, you know, we've said at the last few
5 meetings, this reflects the legacy pipeline, and
6 it says a lot about where we need to go with the
7 new projects.

8 So, any questions about the overall or
9 specific projects?

10 MR. ROODBERG: I assume on the 50
11 percent, one of the reasons it's low is I assume
12 on the 80s, a lot of those are at 60s. So to
13 get from 60 to 50 is not as bad as getting from
14 80 to 50. So I would --

15 (Laughter.)

16 MR. ROODBERG: I mean, so --

17 DIRECTOR DONALDSON: But there will be
18 some help needed, right?

19 MR. ROODBERG: Some help is needed, but
20 not as dramatic as going from 80 to 50.

21 DIRECTOR DONALDSON: Correct.

22 MR. ROODBERG: Is that a fair assumption,

1 that a lot of those 80s are at 60?

2 MR. DICKERSIN: Yes.

3 MR. ROODBERG: Okay.

4 CHAIRMAN BOWERS: Bob Pohlman?

5 MR. POHLMAN: One question I had is, you
6 said 197.7 million. How does that compare to the
7 238 million that you showed for the trust fund
8 loan amount on the spreadsheet?

9 MR. DICKERSIN: Yeah. That includes 40
10 that's -- on the top line, 40 million that's
11 closed so far in 2015.

12 MR. POHLMAN: Oh, I see.

13 MR. DICKERSIN: So, this is just --

14 DIRECTOR DONALDSON: This is the pipeline
15 to come forward.

16 CHAIRMAN BOWERS: Any other questions or
17 comments you folks have? I'm going to give a
18 minute to digest and then if there are other
19 questions people have.

20 MR. PASCAL: Just a comment.

21 CHAIRMAN BOWERS: Yes, Craig.

22 MR. PASCAL: Thank you for more, as we

1 move along, more clarity and things. So that's
2 appreciated.

3 CHAIRMAN BOWERS: Go ahead, Oramenta.

4 MS. NEWSOME: What's been the lessons
5 learned, let's say, in the last six months?
6 Because you clearly are moving faster. Is there
7 something that you --

8 DIRECTOR DONALDSON: Let me just say this
9 is an excellent segue to introducing our Manager
10 for the Development Finance Division, John
11 Lestitian. As we know, Oke was doing double duty
12 as head of the trust fund in terms of managing
13 the fund, as well as interim Manager of
14 Development Finance Division, and I think did an
15 outstanding job.

16 I think that having, as John, when he
17 introduces himself, can tell you, someone with
18 the direct -- and focus. So now we have double
19 the power here, you know, in a way. But it's
20 people power. The number of vacancies, as I
21 think I said at the very first meeting -- well,
22 maybe I didn't. Maybe I waited till the second

1 meeting that we had.

2 But that was a very important part of
3 what I experienced coming in here and putting
4 together a team and helping the current team be
5 strengthened by that, as I think, beginning to
6 show some fruit. And I think I'm going to
7 actually -- David, I'm going to pass to John
8 Lestitian to actually provide further
9 amplification on the current pipeline --

10 CHAIRMAN BOWERS: Yeah. Um-hm.

11 DIRECTOR DONALDSON: -- and our plans for
12 it. But in fact, you know, having a person with
13 the experience of John to be able to conduct that
14 process managerially here, I think, is going to
15 make a huge difference in that way.

16 CHAIRMAN BOWERS: That would be great.

17 We'll ask John to take over. And we'll
18 do for board members kind of items 4 and 5. And
19 folks, if there's questions, we'll just kind of
20 merge these two into a larger dialog.

21 So, John, welcome. We'll ask you to
22 introduce yourself formally for the record so the

1 minutes will catch it.

2 MR. LESTITIAN: Yes. I'm John Lestitian.
3 And as the Director said, I'm the new guy,
4 basically.

5 (Laughter.)

6 MR. LESTITIAN: But in terms of your
7 media question of lessons learned and that, I
8 think I would say this, since I've completed
9 seven weeks here. We have a really solid team of
10 talented people. And it's about looking at our
11 process. It's about having the appropriate
12 number of resources.

13 Last week, we interviewed for a vacant
14 project manager position. We're looking to have
15 the appropriate resources so we can move
16 projects.

17 We're also taking a hard look at our own
18 internal process and how we relate to other
19 agencies, as well. It's about project
20 coordination. Everybody has their regulations,
21 and we have to be compliant, and we will be
22 compliant. But that doesn't mean that we can't

1 find ways to work more efficiently and
2 effectively from one agency to another.

3 And really, my focus is working with my
4 team on not just identifying barriers, but then
5 working with other teams to say, "How do we
6 resolve barriers?" And not just apply it to one
7 particular case, but how do we take that and
8 apply it globally? So when we run into like
9 circumstances in the future, we'll have a fix.

10 This is about delivering products. And
11 we all know that this is multi-year processes or
12 projects. But there's efficiencies, and that can
13 be gained, and that's what we're working towards.

14 CHAIRMAN BOWERS: Great.

15 Other questions or comments folks have
16 for John or the Director, or Chris, on pipeline,
17 current or moving forward, pipeline questions?

18 Stan Jackson.

19 MR. JACKSON: Well, just a comment. I'm
20 extremely encouraged with the relationship with
21 Oke, Maria, and Polly and this collaboration,
22 because it's critical to the mission of everybody

1 in doing dollars within a certain budget cycle.

2 So I think it's extremely exciting to
3 hear Polly and Maria talk about this
4 collaboration. Having you onboard and working
5 with Oke, I think, Mr. Chairman, that that is one
6 of the links that we saw early on as a board,
7 that whole coordination, the need of coordinating
8 or moving funds when there is projects that have
9 multiple levels of financing a lot of our
10 projects at that time of duality and intention
11 and purpose.

12 So I want to just applaud you for that
13 effort because I think it allows everybody then
14 to become far more efficient in terms of how we
15 now move projects through the pipeline to
16 closure.

17 CHAIRMAN BOWERS: That's great.

18 Bob, and then Oramenta.

19 MR. POHLMAN: It would be really helpful
20 to me, and I think to the board, as you delve
21 into this to begin to identify those things that
22 are obstacles, what the permanent solution might

1 be. I'm particularly interested, too, in not
2 just the obstacles or the roadblocks or whatever
3 within DHCD, but obviously with other agencies,
4 with the CFO's office, with the legal department,
5 and then, also with the applicants, with the
6 developers.

7 What happens when a project really gets
8 slowed down and doesn't get done in a timely
9 fashion? Talk about education of council
10 members, you know, I don't feel educated myself
11 that much in terms of what's going on out there.
12 And is there some policy change or some process
13 change that we should support that might not be
14 completely popular, but that would be in the best
15 interest of the trust fund and moving the dollars
16 forward?

17 So I would like to see it, you know, as
18 time goes on, and maybe begin to develop some
19 standards in terms of what we expect. And then
20 when we, timing-wise and so forth, when a project
21 doesn't meet that, what exactly is the -- you
22 know, what's causing the delay? It would be very

1 educational and might result in some changes that
2 we could help support.

3 CHAIRMAN BOWERS: That's right. Thank
4 you, Bob.

5 Oramenta?

6 MS. NEWSOME: Well, I think in that same
7 vein, external to the City, you have the
8 philanthropic sector and you have the CDFI
9 sector. And you know, I've been doing this a lot
10 of years, and we have a lot of history with the
11 City. And we come to have a certain mindset
12 about what will and will not happen.

13 So, clearly, it looks like it's a new
14 day, a new way of doing things. So we need to be
15 educated because, specifically I can speak to the
16 CDFI's because we've been doing things a certain
17 way. And we need to understand how you're moving
18 forward so we know how to adjust.

19 So I'm inviting you to come and meet with
20 us as CDFI's, and the banks, too, I guess, if you
21 want to make it a joint session, so that we can
22 understand, going forward, starting with this

1 NOFA, what should we be doing? How should we be
2 lending? And what should we expect as a part of
3 this process?

4 Because I think to sort of leave it just
5 to we'll-figure-it-out probably isn't the best
6 strategy. So we can think ahead. You've got a
7 NOFA coming. You've got so many questions about
8 who the developers are and how they're working,
9 would be informative to us to know how we'd use
10 our funds.

11 CHAIRMAN BOWERS: Yes, Director
12 Donaldson.

13 DIRECTOR DONALDSON: If I could, and
14 again, if you've seen me in a public place
15 anytime recently, I've spoken a lot also about
16 capacity and understanding that, you know -- and
17 I try to put it in simple terms. If you're a
18 development organization that's been doing two
19 projects a year, we're going to need you to think
20 about doing four and figuring how to be able to
21 do that. And if you're doing four, how can you
22 do eight? And what does that look like?

1 And what's needed from us for support,
2 but also what's needed from the broader community
3 in terms of capacity from philanthropy, from the
4 supporting intermediary organizations, from
5 banks. I mean, there's really -- it's a mutual
6 interest in capacity-building, and it's really
7 how we're going to maximize and leverage these
8 funds that are the government piece, but they're
9 not, obviously, the sole amount of funding that
10 comes in.

11 And how are we really going to get the
12 churn rate? Who used that phrase? I don't know
13 if that's your phrase. But anyhow, the churn
14 rate going, because it really -- it's going to
15 take that as well. The status quo of actors is
16 not going to necessarily be able to accomplish
17 that.

18 But I think your idea of a session for
19 intermediaries, lenders, as well as the sessions
20 that we'll be doing with developers and such on
21 process piece, the goal is not to play "Gotcha,"
22 just to be clear. This is about really being

1 planful and looking at processes and being, as
2 Bob suggested, you know, more structured in terms
3 of timetables and time frames and how long
4 commitments of public resources last and such.

5 I was at a wonderful ribbon-cutting with
6 the Mayor right in Southeast on South Capitol
7 Street, Trinity Plaza -- wonderful project, great
8 people. I don't know if anyone else around the
9 table was engaged and involved in that. But it
10 was also one that took 10 years.

11 MS. NEWSOME: Yes, it did.

12 (Laughter.)

13 DIRECTOR DONALDSON: And maybe more. I
14 don't know.

15 (Laughter.)

16 CHAIRMAN BOWERS: From the mourners'
17 bench.

18 (Laughter.)

19 CHAIRMAN BOWERS: From the mourners'
20 bench.

21 (Laughter.)

22 DIRECTOR DONALDSON: Exactly. And so, I

1 just wanted to share that the Mayor turned to me
2 as we were listening to all the wonderful,
3 inspirational speeches of perseverance and
4 patience and prayer and all of what it took, and
5 patient lenders as well, who were there -- and
6 she said, "Well, 10 years. Hm. How many more of
7 these do we have?" Meaning, how many more are in
8 pipeline for that, and how are we really going to
9 change it?

10 But, so there are a few more, actually,
11 that are approaching, you know, record length of
12 stay, as they call it, right? But, you know.
13 And I think what we want to communicate is that
14 that, while we understand recession was in the
15 middle of it and it was special circumstances,
16 that's not status quo. And that does need to --
17 we will be changing the timing.

18 CHAIRMAN BOWERS: You know, one of the
19 things that the board back in late 2013 or early
20 2014, members may recall, and for the new staff
21 and the director and new staff, there was a
22 session that the board had with representatives

1 of public sector, private sector, and so there
2 were multiple agencies represented. And not only
3 the kind of usual-suspect housing agencies, but
4 some non-usual suspects, including the Director
5 of the Office of Returning Citizens, for example.

6 And we try to think about, who are the
7 different agencies who may have a touch-point?
8 Representatives of philanthropy were here.
9 Representatives of the banking industry,
10 financial services industry were here, as well as
11 some developers. And it was very interesting. I
12 recall that conversation here.

13 So there has been some precedent for --
14 and whether it's the board as the board or
15 outside of the board context, but as way of
16 reminder, early on, this kind of reconstituted
17 board really trying to push to get everyone in
18 the room, if you would, to have real -- that's
19 not the right conversation, but the real
20 conversation about what is needed to move
21 projects along? What is needed to have the most
22 impact, in terms of helping people, possible?

1 And there were some interesting moments
2 where a developer, for example, said, "You know,
3 we'd really like to know kind of what the banks
4 are looking for." And it was crickets.

5 (Laughter.)

6 CHAIRMAN BOWERS: Right? And so he said,
7 "Wow, well, that's interesting." And so that was
8 just one moment that stuck out to me as, when you
9 get everyone in the room, if people can have real
10 conversation, and then you can get a sense
11 sometimes -- are people really willing to say?

12 And my hope, I think, is that if we can
13 get more folks around the same table at the same
14 time, asking the real questions, and people are
15 willing -- you know, the trailblazer says, "Well,
16 look. We're willing to show our hand. Now, will
17 you show yours so that we can have more impact
18 for people?" That could potentially be helpful.

19 The second thing I would say is that the
20 timing on this in terms of the capacity issue is
21 interesting because there have been several
22 reports that have come out over the last year,

1 year-plus that have referenced that. There has
2 been some movement with the Washington Regional
3 Association of Grantmakers and a collaboration
4 with some other folks, looking at this kind of
5 regional -- how can we have more impact
6 regionally?

7 And a report that was just released by
8 Rick Cohen on -- that's one of the things that I
9 think is referenced around capacity. The
10 Director actually made it to a meeting at the
11 Federal City Council that was held, looking at
12 affordable housing issues from the business
13 community standpoint. And the whole session was
14 on affordable housing. And so, they look at --
15 different presenters presented, including
16 Director Donaldson.

17 All of that to say I think there is a
18 window now of openness where there is a sense
19 that the City is committed, clearly, to making
20 the investment of funds, one. Two, that the City
21 seems to be committed, as over the last year-and-
22 a-half, couple of years, to really, and certainly

1 now in the new administration as well, enhancing
2 the efficiency of the department.

3 And so, now there is a platform from
4 which to make an ask, I think, to the
5 philanthropic community: Is there a way to put
6 more private dollars into the system to build the
7 capacity of those who are on the nonprofit side?
8 And what are the more dollars, more coordination
9 of, perhaps, philanthropy and the department even
10 being a communication?

11 Look. Here go the players, here go the
12 five, ten, fifteen groups who we know are in our
13 pipeline now or have been in the last several
14 years. Can they be targeted in some way for more
15 intervention from the philanthropic community,
16 and-or from the CDFI community, from like things
17 like pre-development lending, where philanthropy
18 is doing more?

19 So, I do think that there's a lot of work
20 that's been done over the last few years outside
21 of government to try to push philanthropy to a
22 point of reengaging in a critical-mass way. So I

1 think the timing may be good to make some
2 specific asks of them in a coordinated way. So I
3 put that out there.

4 A question I had, a couple of questions,
5 Director and John, maybe for you all. The new
6 D.C. low-income housing tax credit, any sense yet
7 of how that is, if at all, playing into pipeline
8 yet, or is it too early? So that's one question.

9 DIRECTOR DONALDSON: It's not in
10 pipeline. It will be part of the FY-16.

11 CHAIRMAN BOWERS: Okay.

12 DIRECTOR DONALDSON: I mean, that's where
13 the council moved it to. So it is going to be,
14 go live. There are some regulatory pieces we
15 have to do, as well.

16 CHAIRMAN BOWERS: Okay.

17 DIRECTOR DONALDSON: But that's the plan.

18 CHAIRMAN BOWERS: Okay. And then one
19 other question, and, John, maybe for you even in
20 the numbers, and-or Chris on the pipeline, from a
21 dollars standpoint, is there a sense now of --
22 and this is a question the board is always asking

1 just as a general course.

2 Is there a sense that there's enough
3 money in now to handle the deals that are
4 projected to close, and-or if not, in a chunk of
5 the next fiscal year's allocation, would need to
6 be taken to get deals that are projected to
7 close? Is there a sense of how much of the next
8 year's money may be needed to kind of make whole?
9 Did you get a sense of how much you may actually
10 have, kind of going forward, for new deals?

11 DIRECTOR DONALDSON: Yes. I don't know
12 if, Chris, if you want to respond to it? Yes,
13 we've done the analysis.

14 CHAIRMAN BOWERS: Great. Welcome back,
15 Chris.

16 DIRECTOR DONALDSON: Let's get him in
17 front of a mic.

18 CHAIRMAN BOWERS: Right, right, right.
19 Right, right, right.

20 (Pause.)

21 MR. DICKERSIN: Yeah. It kind of
22 depends, because on a project it would definitely

1 draw on the FY-16 appropriation, the \$197
2 million. Some of it would spill into FY-16, but
3 how much really depends because this money in the
4 pipeline now is going to translate into cash
5 expenditure in FY-16, FY-17, FY-18.

6 And if some of the ones that are
7 projected to close in FY-16 start to become
8 Trinity Plaza-type deals and keep spilling into
9 FY-17, FY-18, then they're drawing into even
10 future-year allocation appropriations.

11 So, you know, we know there's at least
12 enough money to have a NOFA this summer and
13 another one in the fall. And if any projects get
14 delayed, then it would be even more money than we
15 think we have right now.

16 DIRECTOR DONALDSON: And part of the work
17 that John is doing is really digging into each of
18 the pending of the underwriting items, and to be
19 looking systematically at timing, if there are
20 change in circumstance, and to begin to develop
21 some timelines so that we can have a better sense
22 of, are there going to be some funds freed up in

1 FY-16 that we were projecting a close in '16 that
2 now is not going to happen till '17?

3 And whether that, you know -- or whether
4 there are some projects that aren't going to
5 close, that just are not -- and that happens,
6 right? Projects fall out. We know that
7 actually, but although that has been happening
8 with less frequency over the past couple of
9 years. So that's also the analysis that John and
10 his team are doing.

11 CHAIRMAN BOWERS: Great. Other
12 questions, or comments, suggestions?

13 Craig Pascal.

14 MR. PASCAL: No, I just want to echo what
15 Oramenta said. And since there are some new
16 terms in the NOFA, I'll be happy to express a
17 word to the bankers.

18 And I know DCHFA has a good relationship
19 with a lot of the strong bankers that do tax
20 credit deals, 4 percent deals, too. So maybe
21 when there is the announcement, I'm sure there's
22 commitment amongst the people around the room to

1 make sure that people know that the new terms
2 that are on the table so they won't question it
3 after the fact; they'll know them up front.

4 CHAIRMAN BOWERS: Thanks, Craig.
5 Bob Pohlman.

6 MR. POHLMAN: Yeah. It would be useful
7 to get an update of the kind of analysis that Oke
8 prepared in the past, that shows, you know, total
9 dollars in the fund. I'm not so concerned about
10 when cash is going to be spent. I'm more
11 concerned about commitments being made to
12 projects and having the funds to cover that.

13 Cash may not be spent for three years.
14 But under the system that we have, certainly you
15 can't obligate anything unless you have the
16 budget authority. And so, it just would be good
17 to track that.

18 The other thing I wanted to mention is
19 that this doesn't take into account any tenant
20 purchase situations that arise, where we might
21 want to do preservation. And that's a priority
22 now. And so, I don't know how you factor that

1 in. That's so unpredictable. But we also are
2 going to have to look at, you know, having some
3 funds in abeyance to handle tenant purchase
4 situations that might come up.

5 DIRECTOR DONALDSON: And looking both at
6 local and some of our federal --

7 MR. POHLMAN: Right.

8 DIRECTOR DONALDSON: -- we're looking
9 also for some of the blended. That's where the
10 funds do blend in that case. But that's a very
11 good point, as well.

12 CHAIRMAN BOWERS: On that point, does the
13 department have a sense, over the last couple of
14 years, that kind of roughly the number of tenant
15 purchase deals that have come in as their
16 incentive on an annual basis? Is that typically
17 one or two deals, or five or seven? And any
18 sense of, have they kind of gone up a lot post-
19 recession or gone down or stayed pretty steady?

20 DIRECTOR DONALDSON: I don't have that
21 data immediately. I don't -- we have that -- not
22 -- we can get that for the board?

1 FEMALE VOICE: Sure. We can get it.

2 CHAIRMAN BOWERS: Great. It's a great
3 question.

4 DIRECTOR DONALDSON: Okay.

5 CHAIRMAN BOWERS: Bob, thanks for that.
6 Oramenta.

7 MS. NEWSOME: The NOFA, will it include
8 CDBG housing dollars or just trust funds?

9 DIRECTOR DONALDSON: It's going to be the
10 funds that are available. Yes. I mean, it will
11 include the funds that are available from the
12 department.

13 MS. NEWSOME: Okay. Regardless of the
14 source?

15 DIRECTOR DONALDSON: Including federal,
16 including --

17 MS. NEWSOME: Both of them. Yeah. So
18 now, don't overlay this, but I heard that Home
19 took a massive hit. Did that hold in terms of
20 the budget that we may be seeing the --

21 DIRECTOR DONALDSON: That will impact us
22 a year or two from now.

1 MS. NEWSOME: No, from now, not --

2 DIRECTOR DONALDSON: If that holds, if
3 that holds. Because it was the Home money we
4 have is the money allocated last year and the
5 year before, because it's on a two-year.

6 CHAIRMAN BOWERS: Will there be non-DHCD
7 money in the NOFA this year, or just DHCD?

8 DIRECTOR DONALDSON: There will be non --
9 the interagency group that was formed to produce
10 permanent supportive housing is -- has an active
11 MOU. There have been conversations with Maria,
12 with Laura Zeilinger at DHS, with DBH, of course
13 with Adrian at the Housing Authority in terms of
14 bringing together the three-legged stool, right?

15 That's the old -- I mean, the development
16 finance piece, the services piece, and the
17 operating subsidy in order to -- and that's part
18 of the following the public policy priorities,
19 resource decisions following the public policy
20 priorities incorporated in the Homeward DC Plan.

21 I do commend Chapter 5 if you want to get
22 a sense of what actually is being -- what the

1 targets are. There will be some further
2 conversation with the Department of Human
3 Services because they're going to use some
4 leasing dollars up front to help reach some of
5 the targets. But otherwise, there is a pretty
6 clear roadmap for the commitments that -- or for
7 what we need to produce as permanent supportive
8 housing for the most vulnerable in our City.

9 CHAIRMAN BOWERS: Any thoughts, Director,
10 you have or members of the board? I'm thinking
11 now in the services side. I'm looking at kind of
12 Sue Marshall and Jackie Pryor (phonetic) and
13 others have helped us think through this.

14 As a forward-on, going forward, how this
15 board could be helpful in terms of thinking
16 through the services component, building on some
17 of the conversations we've had and how the City
18 has been trying to get at some of you to defray
19 the demand side, but how to enhance the delivery
20 and the effectiveness of services that are
21 provided to folks who may need it.

22 So, thoughts, either, Polly, from your

1 side, or members of the board on, as we go
2 forward, how to think about how to be most
3 helpful to the City on that piece would be
4 interesting if anyone has any thoughts.

5 DIRECTOR DONALDSON: I defer to the
6 board, but then --

7 MS. MARSHALL: I was thinking it might be
8 helpful to track service dollars in the same way
9 we're tracking other dollars so we have that kind
10 of quantifiable information.

11 DIRECTOR DONALDSON: And we have that,
12 actually, especially for the permanent supportive
13 housing.

14 What we don't have, necessarily, and I
15 would like to just put out there because you know
16 where I've come from, right, is that we're not
17 tracking the resident services that may be
18 provided to residents, not necessarily permanent
19 supportive housing, but just resident services in
20 affordable housing.

21 And a lot of developers incorporate that
22 into either separate budgets, some incorporate it

1 into operating budgets. And I think trying to
2 figure out tracking that -- or, you know, I mean,
3 part of it is identifying those that do, and then
4 looking at what the sources are of that, whether
5 it's from operating -- you know, from the cash
6 flow of the project or from philanthropy or some
7 combination.

8 MS. MARSHALL: And our lot, Chapter 5,
9 how do we begin to shelter dollars that are
10 service dollars into affordable housing services?

11 DIRECTOR DONALDSON: That's a great
12 question for the Interagency Council on
13 Homelessness, absolutely. I mean, I think that's
14 really looking at the follow-on phases of the
15 Homeward DC Plan as we shift from a shelter-based
16 system to a permanent housing-based system as a
17 way to address primary homelessness.

18 CHAIRMAN BOWERS: Does anybody have other
19 thoughts on that? Questions or suggestions? It
20 will be something to think about, that whole like
21 how to do that and do it effectively. And what
22 role, what's the appropriate role in terms of

1 helpfulness from this board, whether it's
2 directly, particularly as it relates to trust
3 fund dollars. And then how to leverage the
4 dollars, how to leverage their impact is
5 something to think about.

6 Go ahead, David.

7 MR. ROODBERG: On tracking. It is really
8 a challenge. And I think one thing to think
9 about on a future NOFA, to have people identify
10 it. Because I'm just thinking of a project we'll
11 be submitting. It will just have that it will be
12 zero to 30 percent.

13 And our partner on it, who is providing
14 permanent supportive housing, is finding funding
15 elsewhere for it. So it's not really a part of
16 what's being submitted, but something that people
17 can probably report on if you're asking them to
18 do it.

19 CHAIRMAN BOWERS: Um-hm.

20 DIRECTOR DONALDSON: Sure. That's a good
21 point. Thank you.

22 CHAIRMAN BOWERS: Other thoughts people

1 have? Suggestions, questions on that? Other
2 thoughts or questions folks have on either items
3 number 4 or 5 in the agenda?

4 (No audible response.)

5 CHAIRMAN BOWERS: Okay. Old Business
6 now.

7 So we'll go to item number 6, and the
8 Director will give an update on the Acquisition
9 Loan Program.

10 DIRECTOR DONALDSON: That proposed
11 program is still under review. We're looking at
12 -- that's basically the answer, quite frankly. I
13 could add five sentences. But it's under review.
14 And it is, you know, something that we want to
15 see if it can encompass other purposes in
16 addition to what may have been already outlined.
17 So we are looking at that, as well.

18 CHAIRMAN BOWERS: Okay. Any questions or
19 comments to follow up on that, the Acquisition
20 Loan Program?

21 (No audible response.)

22 CHAIRMAN BOWERS: Okay. One of the

1 things, and I want to commend the Director. One
2 of the things we've heard her say in numerous
3 forms is this notion of -- and it's building
4 upon, when this board got reconstituted, there
5 were a couple of things that really grew out of
6 the Conference of Housing Strategy Task Force
7 support, the notion of how to leverage City money
8 and make it go further.

9 And so, the conversations have been going
10 on for the last couple of years around this table
11 about the leveraging, the fact that Director
12 Donaldson has been talking about that, as well,
13 and trying to look at how, particularly again
14 with the marker that got put in the ground a
15 couple of years ago with \$100 million under
16 former Mayor Gray, the continuity of that in even
17 a more kind of built-in way, if you would,
18 building it more as part of baseline under Mayor
19 Bowser.

20 And the kind of public declaration of
21 this will be baseline, going forward. It serves
22 as a magnet, really, I think to potentially

1 attract private dollars. Again, when people see
2 that strong commitment of this, money will be
3 here.

4 So, for us as a board in terms of trust
5 fund dollars and really thinking about how to
6 bring more private capital -- philanthropic,
7 banks, CDFI's, however it may come -- into the
8 system in creative ways will just, obviously,
9 help to stretch.

10 One of the things that is interesting,
11 you know, I've been saying to folks, we
12 collectively in the region around the affordable
13 housing issue have been having, you know, \$1
14 million conversations about \$1 billion problems.
15 And what's interesting is to hear people in the
16 private sector.

17 We've been in some meetings where folks
18 who are in the private sector, who may have a
19 little different mindset than those of us in the
20 nonprofit sector, have -- you know, they've heard
21 declarations about, you know, "Well, you know,
22 the Mayor's made a" -- again, regional

1 conversations. They'll hear about what the
2 District has done, and we all kind of get happy.
3 Like, "Wow, we've got \$100 million coming, trust
4 fund."

5 And in one of the meetings, we had a
6 gentleman pick up and say, "Wait." And he just
7 did a little back-of-the-envelope. And he said,
8 "Okay. So this is kind of maybe if we wanted to
9 get at this in the region, it's probably a \$35
10 billion problem. A hundred-million dollars is
11 nice, but where do we go from here?"

12 So it does -- the notion of we applaud
13 the huge commitment and how far the City has come
14 in getting to \$100 million as a baseline, I mean,
15 that's transformative, clearly. Period. Next
16 sentence: That being said, we know there's a lot
17 needed a la what was presented in the Urban
18 report at our meeting a couple of months ago.

19 And so, I think one of the things we have
20 to say, it's both-and. We applaud the huge
21 commitment the Mayor has made around this, but
22 also have to continue to remind folks, in and

1 outside of government, there's a lot more that's
2 needed. And if we can find ways to bring a lot
3 more private money to leverage the public
4 commitment, it may help us get more on both sides
5 as we go forward on that.

6 So I commend us all to keep thinking
7 creatively. How do we push the City to commit
8 more, move it effectively and efficiently as the
9 Director has talked about, but then also get our
10 private sector brethren and sistren to put more
11 into the system?

12 Any other thoughts or comments on item
13 number 6a.? Okay. We'll do an announcement at
14 the end.

15 So, Public Comment. Are there any
16 comments from the public that anyone has?

17 DIRECTOR DONALDSON: We'll ask you to
18 come up and speak in one of these microphones
19 here so that it can be reported.

20 CHAIRMAN BOWERS: Any public comments?
21 Comments from the public?

22 MR. WADDELL: I have a comment.

1 CHAIRMAN BOWERS: Yes, sir. Come on up
2 to the mic.

3 DIRECTOR DONALDSON: Come on up.

4 CHAIRMAN BOWERS: Identify yourself.
5 We'll get your fingerprints later.

6 (Laughter.)

7 MR. WADDELL: They will have them
8 somewhere, I'm sure.

9 CHAIRMAN BOWERS: Right.

10 (Laughter.)

11 CHAIRMAN BOWERS: Yes, sir. Welcome.

12 MR. WADDELL: I'm Tony Waddell, DCFHA.
13 Just a question with respect to the NOFA.

14 In terms of looking at the current
15 situation with respect to hitting the buckets,
16 and you're saying it's going to enforce that in
17 this current NOFA. So what happens if you're
18 unable to, on an aggregate basis not be able to
19 hit those buckets, your targets? Are you going
20 to -- how are you going to deal with that?

21 And I'm looking at the numbers now. I'm
22 guessing that you're hitting your targets based

1 on having enough subsidy, particularly at the 30
2 percent and below. So, is there enough subsidy
3 in this NOFA to have support -- to support the
4 targets again?

5 DIRECTOR DONALDSON: Such as operating
6 subsidies?

7 MR. WADDELL: That's correct.

8 DIRECTOR DONALDSON: There is certainly
9 for the under-30. We aligned our budget with
10 Housing Authority's budget for the local rent
11 supplement program.

12 MR. WADDELL: Right.

13 DIRECTOR DONALDSON: And have operating
14 subsidies to coincide with their under-30 percent
15 AMI housing.

16 MR. WADDELL: I'm guessing that's
17 probably why you're not hitting in your 13
18 percent number, not enough subsidy. So that's
19 just a guess. All right. So that's just a
20 common observation about the complex...

21 CHAIRMAN BOWERS: Thank you.

22 MR. WADDELL: And maybe we can talk about

1 some suggestions on how to follow up.

2 CHAIRMAN BOWERS: That's great. Thanks.

3 Bob Pohlman.

4 MR. POHLMAN: Yeah, just following up on
5 that, you know, I do think it's going to take a
6 very intentional strategy to change the
7 allocation that we've seen over the last couple
8 of years, which is heavy on the 50 to 80 percent,
9 light on the below-30. And then the 30 to 50,
10 which can be changed, has been mentioned by
11 bringing more of the low-income housing tax-
12 credit projects in at that level.

13 But you know, it just feels to me like
14 low-income housing tax-credit projects in
15 particular were going to meet this requirement
16 for the trust fund, that's a huge resource. Low-
17 income housing tax-credit equity investment is a
18 huge resource.

19 And it feels to me like we're going to
20 have to make sure those low-income housing tax-
21 credit projects come in at the 50 percent level
22 or below. And if that means putting some

1 additional trust fund dollars in, so be it.

2 It makes it difficult if it's a
3 preservation project, if it's a project that,
4 where people are already in the building, because
5 you can't change who's there. And I know, for
6 instance, the Housing Finance Agency, a lot of
7 the tax credits there are used for projects that
8 are renovated and that kind of thing. And so,
9 whoever is there is there. You know, their
10 income level is already established; you can't
11 change that.

12 So anyway, it's really going to require
13 some strategizing to make that shift.

14 DIRECTOR DONALDSON: I agree.

15 CHAIRMAN BOWERS: Other comments?

16 Stan?

17 MR. JACKSON: No, I think that sort of
18 led to my question early on about the 289-6 in
19 terms of actual cost. Because if we're going to
20 shoot for getting that second band at 50 percent
21 closer to the requirement statutorily, then that
22 means that we have to recognize that it's going

1 to be shifting in the dollars. And what is the
2 impact of that shifting in the dollars on the
3 pipeline?

4 So, I think, to your point, all of this
5 is sort of intentional. You've sort of got to
6 look at it in terms of a whole. It's all part of
7 the same. As you make those suggestions to push
8 down and compress that 50 percent so you can get
9 up into that statutory gap flooring, and there's
10 a level of subsidy that's got to be pushed in.

11 And that's why I asked the question,
12 because we're saying now, projects coming and
13 nothing else. When you were there, we were
14 seeing projects now coming in where the average
15 cost was far greater than 289 numbers. So that
16 was just an observation.

17 I guess the other point that was really
18 clear also is that capacity is going to be a
19 clear consideration going forward, because we do
20 have -- I mean, you asked that we send for
21 support staff. We have a crisis in the demand
22 side.

1 And so, to address that crisis, then we
2 have to really look at, how do we move with some
3 dispatch, some speed, and with some
4 intentionality so we can avoid -- and we've all,
5 I go back with my sister, girl over there, we all
6 touched Trinity years ago.

7 (Laughter.)

8 MR. JACKSON: That shows you how long
9 it's been. But those are the things that, in
10 order to meet the demand, we can't afford to do,
11 going forward.

12 CHAIRMAN BOWERS: Yeah. Yeah.
13 Allison.

14 MS. LADD: I just wanted to take a
15 comment. Hi, everyone.

16 I think that the conversation that you
17 are bringing up today is something that we've
18 been talking about internally, as well. And I
19 think that, you know, I'll take from, you know,
20 Mr. Pohlman, the stock process when he was
21 running the coalition is, we really have to look
22 at it as a continuum. Not just a continuum of

1 housing, but the continuum of funding
2 availability.

3 So we have the Housing Production Trust
4 Fund, we have Home Funds, we have CDBG, we have
5 the tax credits, and the bonds from the Housing
6 Finance Agency. So there's a lot of different
7 sources of funds that go into how we produce and
8 preserve affordable housing in the District.

9 I think some of what we have to do is
10 figure out how to match our resources for each of
11 the projects in a more systematic way. I think
12 right now, we've done it kind of more as -- well,
13 let's just say we need to do it in a more
14 systematic way.

15 (Laughter.)

16 CHAIRMAN BOWERS: Put a period at the end
17 of that sentence.

18 (Laughter.)

19 MS. LADD: Yeah. And, you know, I think
20 that that's something that we've been really been
21 looking at internally, is, how are we financing?
22 So we all see a list here, you know, of the

1 projects for HBTF. But what you don't have are
2 what we financed through CDBG, what we financed
3 through Home, or other sources. And I just think
4 that that's another way for us to review how
5 we're investing in the City.

6 And I think that that's something that's
7 just an important piece to add. Because that may
8 match better with other financing that's out
9 there.

10 The second thing is I think that -- and
11 John and the Director would agree with this -- is
12 that we really have to look at the projects and
13 their viability and where they are today and
14 their ability to close now or in the future.

15 And just be -- I think, Bob, you alluded
16 to it, but just figure out what hard decisions we
17 have to make, get some, you know, reassurances
18 from our advisory board that we're making good
19 decisions. But we may have to make some of those
20 tough decisions, going forward, which may free up
21 some dollars that are currently obligated or -- I
22 forget the word --

1 (Laughter.)

2 MS. LADD: -- committed in the pipeline.
3 But either way, they're reflective as something,
4 as a project that we're supporting. And I think
5 that that's something that we're also doing at
6 the same time.

7 So some of it is looking at the entire
8 resource pool. The second one is looking at the
9 projects and, you know, where they are really in
10 the pipeline. So, you know, there are 17
11 projects in underwriting. Are all of them going
12 to close? You know, should they all close? So,
13 what types -- those are those hard conversations
14 that we're going to have to have, which we aren't
15 having at the moment, but we will have to have in
16 the near future.

17 CHAIRMAN BOWERS: You know, one of the
18 things, speaking around capacity, that came up at
19 the stakeholder meeting the board had back in,
20 again, late '13 or early '14 was the issue around
21 -- and, Director, I thought about it when you
22 talked about how to get folks to increase their

1 output, right, so the folks doing two doing four,
2 the folks doing four doing eight, particularly on
3 the nonprofit side.

4 But even some of the mission-minded for-
5 profits. One of the issues that got flagged was
6 the whole issue around balance sheets. So part
7 of it is, do you have the brain power? Do you
8 have -- and then another issue is the IT
9 infrastructure. Part of it was, do you have the
10 balance sheet?

11 And so, one of the issues that got
12 flagged was, and something that the department
13 may want to think about and the board continue to
14 think about is, what are ways to essentially
15 enhance the balance sheet strength of folks who
16 have the ability to do deals and the expertise
17 and the desire, but don't have the balance sheet?

18 Are there ways that trust fund dollars
19 could be leveraged in a way in a backstop? Are
20 there ways -- again, some people pointed to some
21 work the Annie E. Casey Foundation. It involved
22 more at some point around lending balance sheet.

1 But however it is, and particularly when
2 we think about the buckets we're trying to hit.
3 So who does zero to 30 percent deals? Right?
4 Who really does? I mean, there aren't a whole
5 lot of groups who are out there actively trying
6 to serve the zero to 30 percent population. They
7 tend to be kind of small, salt of the earth, God-
8 bless-'em kind of developers.

9 And so, part of it is in terms of, they
10 have the desire and they can do that work. But
11 if we're trying to help them go from one to two,
12 or two to four deals, part of it is just going to
13 be -- part of it is, do they have the staff? Do
14 they have the infrastructure? But part of it is
15 a balance sheet.

16 So, I think one of the things we need to
17 continue to think about is, are there ways to
18 creatively use money that may not even be lending
19 money out, though the money may be obligated in
20 some way, but having the money as a backstop on
21 whether, again, it's trust fund dollars or from
22 the private sector that will allow those folks to

1 do those deals.

2 Because otherwise, they're going to
3 continue to run into that bump of, they don't
4 have the balance sheet. And when they go in for
5 underwriting, whether it's on this side or in the
6 private sector side, people are going to say,
7 "Well, you don't have the balance sheet for that
8 deal." And that's been a continual challenge.

9 Any other public comments we have? Any
10 other comments from the public?

11 (No audible response.)

12 CHAIRMAN BOWERS: Okay. Thank you.

13 Announcements. Any announcements from
14 folks on the board? And then we'll turn to the
15 Director to close us out. I think we're at
16 Announcements.

17 Any announcements from board members?

18 David.

19 MR. ROODBERG: A possible question on a
20 new topic.

21 CHAIRMAN BOWERS: Um-hm.

22 MR. ROODBERG: I don't know if this is

1 the right forum, but I'll have to ask because of
2 venture.

3 CHAIRMAN BOWERS: Right.

4 MR. ROODBERG: We focus on delivery of
5 units. I've found in talking to others and
6 myself a challenge in managing the affordable
7 unit process and bringing people into them. And
8 the units are sitting much too long. Between all
9 the different affordable housing programs in the
10 City, between IZ and LIHTC and everything else,
11 and somehow, it hasn't gotten better.

12 And I don't know the right forum for it,
13 if there's a discussion in one of these meetings
14 or if there's a different forum. But I know
15 units are sitting way too long, and there's a
16 real challenge in filling some affordable units.

17 CHAIRMAN BOWERS: Oramenta?

18 MS. NEWSOME: When you say "sitting too
19 long"?

20 MR. ROODBERG: Well, vacant, sitting
21 vacant too long because of doing through
22 different processes with the City in terms of

1 finding qualified --

2 MS. NEWSOME: Tenants.

3 MR. ROODBERG: -- tenants.

4 MS. NEWSOME: Okay. Well, that shouldn't
5 be.

6 CHAIRMAN BOWERS: Any thoughts or any
7 suggestions folks have on a forum where that may
8 be hashed out?

9 (No audible response.)

10 CHAIRMAN BOWERS: Let us all, then, if we
11 can, agree to kind of think on that. And when we
12 reconvene, think about, one, how to resource that
13 and then to think about the appropriate way to
14 frame that conversation and kind of where and
15 with whom. It would be helpful.

16 One other announcement, just looking at
17 the next meeting. A reminder, we will not have
18 an August meeting. There will not be a meeting
19 in August. What I did want to flag for folks on
20 a hold on your calendar, the first Monday in
21 September, we typically meet the first Monday of
22 the month, is Labor Day. And I know Craig Pascal

1 is very committed and may be here, but others
2 will be on holiday.

3 (Laughter.)

4 CHAIRMAN BOWERS: So we --

5 MR. PASCAL: No, I want to honor my
6 brother.

7 (Laughter.)

8 CHAIRMAN BOWERS: Right, right, right, in
9 the movement.

10 So we will put a hold on the 14th of
11 September as a tentative hold for the next
12 meeting, and a way as kind of the next regular
13 scheduled meeting.

14 Other announcements that folks have
15 before we turn to the Director?

16 (No audible response.)

17 CHAIRMAN BOWERS: All right. Director
18 Donaldson, your final announcements. I know
19 there's a flyer.

20 DIRECTOR DONALDSON: I do; I have a
21 couple.

22 CHAIRMAN BOWERS: Yeah.

1 DIRECTOR DONALDSON: First, I want to
2 also -- you know, I talked earlier about staff
3 vacancies and also some management restructuring
4 that we have been doing here.

5 And I wanted to take the opportunity to
6 introduce to you our new Chief Program Officer.
7 You actually probably know her already because
8 she's been our General Counsel for the last eight
9 years, I believe. Vonda Orders is here. And she
10 is now going to be our Chief Program Officer.

11 CHAIRMAN BOWERS: All right.

12 (Applause.)

13 DIRECTOR DONALDSON: The areas she's
14 overseeing are program monitoring and compliance,
15 asset management, the loan portfolio, Property
16 Acquisition and Disposition Division, and our
17 Residential and Community Services Divisions.
18 It's a lot of responsibility, it's a lot of
19 interaction with HUD, and she's absolutely the
20 right person for the job. So I'm really
21 delighted to have her continue on the senior
22 team, but in this new role.

1 So we are looking for a general counsel,
2 I guess, is my segue here.

3 (Laughter.)

4 DIRECTOR DONALDSON: If you know any good
5 lawyers -- well, there are a few in the room,
6 right?

7 CHAIRMAN BOWERS: Is there a lawyer in
8 the room? Is there a lawyer in the room?

9 DIRECTOR DONALDSON: But seriously,
10 please. This is the kind of -- I mean, I see
11 Craig is already clicking away, all right, going
12 through that Rolodex. But really, that would be
13 terrifically helpful for us.

14 And then also, I want to speak on behalf
15 of the department and the administration, because
16 this is actually David's last meeting as Chair.
17 He is the -- he was -- the magic bell rings, I
18 guess, at 180 days, or six months.

19 CHAIRMAN BOWERS: Yeah, yeah. I'm on
20 overtime, I think.

21 DIRECTOR DONALDSON: Well, you know.
22 I'll get the checkbook out later.

1 But I just wanted to say officially and
2 on the record, because this is on the record,
3 that this board, as constituted now, would not be
4 able to have accomplished what it has
5 accomplished without David.

6 And I can tell you, as one who was on the
7 other side, as someone out in the audience there
8 who was trained to hear and worked real hard at
9 that, but then now here from where I act in the
10 last six months.

11 I can tell you that this is the reason
12 that all the work for those of us who are on the
13 task force, the Comprehensive Housing Strategy
14 Task Force, to keep the focus of the City on that
15 task force on the accomplishment and the work
16 that was needed, and on the trust fund, that's
17 why we have \$100 million in the trust fund,
18 because there was an entity that was there really
19 helping to shape it and to work it and to make it
20 happen.

21 And David's leadership has been
22 absolutely key to that. So I wanted to publicly

1 recognize that.

2 And then, I wanted to turn to my dear
3 colleague, Oke, who I know has spent even more
4 time working with David on this, to say a few
5 words, if I could.

6 Oh, and he's got to get near a mic.
7 There you go.

8 MR. ANYAEGBUNAM: Good morning. I think
9 everybody here who has been watching the HPTF
10 board will realize that there have been a lot of
11 changes on the leadership of that board. And
12 also, I must say the other board members -- this
13 is the first time we've had regular forums, or
14 meetings, of the HPTF since I got here in 2006.
15 Most of the time, if we were to get one or two
16 meetings in a year, that's good.

17 But under David, a lot of things changed.
18 And I must say he's always ready to help.
19 Whenever we call him with questions or tell him
20 that, "Oh, we have two days to review this or
21 that" --

22 (Laughter.)

1 MR. ANYAEGBUNAM: -- he does it and
2 responds very quickly. We must miss him.

3 And I thank you, David. You did a very
4 good job. And I must also thank the other
5 members of the board. We have a board that now
6 comes to meetings.

7 (Laughter.)

8 MR. ANYAEGBUNAM: So, thank you very
9 much.

10 CHAIRMAN BOWERS: Thank you.

11 DIRECTOR DONALDSON: Thank you, David.

12 (Applause.)

13 CHAIRMAN BOWERS: Thank you, thank you.

14 DIRECTOR DONALDSON: And I do want you to
15 know the administration is considering possible
16 -- and we will be in touch when there is news on
17 that front. And I'm hoping that that's by
18 September 14th.

19 CHAIRMAN BOWERS: Okay.

20 DIRECTOR DONALDSON: So that we can
21 convene again in that way. But, thank you. And
22 your voice will be there. We plotted this out

1 last week, actually, of what are the other
2 opportunities and interactions and intersections
3 with this group and with all the work that David
4 is doing in the community. So I look forward to
5 that, and thank you all very much.

6 CHAIRMAN BOWERS: So, thank you. I love
7 long speeches, but I hate long good-byes. So
8 I'll just say a couple of things. One, very much
9 thank you and very sincerely to Director
10 Donaldson, Polly, and to Oke. I very much
11 appreciate it. I'm humbled by the words.

12 A huge word of thanks to the board
13 members. It has been one of the questions I
14 asked when the former Mayor Gray and his team
15 asked us to serve, was, was this going to be a
16 serious endeavor? And were they really trying to
17 do work? And I said, if so, then sign me up. If
18 not, thanks but no thanks.

19 And so, the answer was yes. And the
20 board members who were appointed clearly took
21 that to heart. And so, the notion of -- Oke said
22 one or two meetings in a year. I didn't know it

1 had been that bad, I didn't know it had been on
2 the board previously. It's like, yeah, that
3 sounds about right.

4 So I want to say a huge word of thanks to
5 the board members for really bringing a
6 seriousness and a willingness to work, to be here
7 on a regular basis so that we could get forums,
8 to really have feedback. And the challenge, not
9 only the department in a good way, but also
10 ourselves about, are we being as helpful as we
11 can be? And you continue to try to become more
12 effective and helpful as an advisory board. So I
13 say thanks to all the fellow board members.

14 And I want to say a huge word of thanks,
15 Polly, not only to your team, but also to the
16 team who has been here prior, like Oke and others
17 who have been here for years who have done a lot
18 of work to help us. One of the things we've
19 always had as a board since we got reconstituted
20 was very strong staff support. And so I want to
21 thank the entire DHCD team for that, that have
22 made it easy to be a helpful and productive

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1 board.

2 So, being kind of turned out and timed
3 out and not able to serve any longer, I will just
4 say I hope and pray that the board continues to
5 serve effectively for the benefit of the
6 residents of the District of Columbia. And with
7 that, as I say in my other line of work, if all
8 hearts and minds are clear, it's 11:25 a.m., and
9 this meeting is officially adjourned.

10 (Applause.)

11 [Whereupon, at 11:25 a.m., the Housing
12 Production Trust Fund Advisory Board meeting,
13 concluded.]

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