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In the matter of: Organizational Meeting

Before: Housing Production Trust Fund Advisory Board

Date: 08-15-13

Place: Washington, DC

was duly recorded and accurately transcribed under my direction; further, that said transcript is a true and accurate record of the proceedings.

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GOVERNMENT OF THE DISTRICT OF COLUMBIA

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HOUSING PRODUCTION TRUST FUND ADVISORY BOARD

+ + + + +

ORGANIZATIONAL MEETING

+ + + + +

THURSDAY
AUGUST 15, 2013

+ + + + +

The Board met in the Housing Resource Center, 1800 Martin Luther King Jr. Ave., S.E., Washington, D.C. at 10:00 a.m., David Bowers, Chairman, presiding.

PRESENT

- DAVID BOWERS, Chairman
- STANLEY JACKSON
- MICHAEL KELLY
- JIM KNIGHT
- SUE ANN MARSHALL
- ORAMENTA NEWSOME
- M. CRAIG PASCAL
- ROBERT POHLMAN
- JACQUELINE PRIOR
- DAVID ROODBERG

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ALSO PRESENT

VICTOR HOSKINS, Deputy Mayor for Planning and
Economic Development
REYNA ALORN
OKE ANYANEGUNAM
MILTON BAILEY
POLINA BAKHTEIAROV
MARTINE BARTEE-WILLIAMS
BEATRICE FIELDS
KETAN GADA
DARRYL GORMAN
TRACI HUGHES
DOUG KEMP
ANGELA NOTTINGHAM
VONDA ORDERS
ARIANA QUINONES
INGRID P. RIOS
ART RODGERS
DAVID ROODBERG
MATT SCALF
NATHAN SIMMS
GILLES STUCKER
HARRIET TREGONING

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

2 10:05 a.m.

3 CHAIRMAN BOWERS: So, good morning
4 everyone. It is 10:05 a.m. I am David
5 Bowers, Chairman of the Housing Production
6 Trust Fund Advisory Board and we will call
7 this meeting officially to order.

8 Let me ask, I think everyone
9 should have, who is a member of the Board,
10 certainly one of your folders.

11 If you are a member of the Board
12 and have not received your folder, please let
13 us know. Your folder is - staff has
14 graciously produced these packets for us. So,
15 the information is - okay. I want to welcome
16 everyone, board members and members of the
17 community to the meeting.

18 Let me start off with just a quick
19 housekeeping note and asking if folks have
20 cell phones with you, please make sure to put
21 them on, you know, vibrate or silent, if you
22 don't mind, please.

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1 Secondly, if folks need the
2 restrooms, they are straight through this door
3 and to the left in the corner. So, that's
4 their housekeeping note.

5 And speaking of housekeeping, we
6 are in the house of the Department of Housing
7 and Community Development. So, I want to
8 actually just out of respect, ask if Director
9 Kelly has a word of welcome that he'd like to
10 say.

11 MR. KELLY: Absolutely, President
12 Bowers. Good morning, everybody.

13 (Laughter.)

14 MR. KELLY: This is really a
15 fantastic opportunity for all of us. I want
16 to welcome you to the Department of Housing
17 and Community Development. Stan and I
18 represent part of the beachhead here in the
19 new historic Anacostia. Blink twice and you
20 will be amazed how we will make you proud.

21 This is going to be a fantastic
22 area. We've been working closely with the

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1 Deputy Mayor's Office to vitalize this part of
2 town in a process that is embedded in
3 community development. So, it's economic
4 development, but we're doing it in a process
5 that's embedded with the highest principles of
6 community development.

7 It's great having Deputy Mayor
8 Hoskins and his team here this morning.
9 Deputy Mayor Otero and her team, thank you so
10 much for being here.

11 A recognition to - and most
12 importantly a recognition to you, the soon-to-
13 be sworn in board of the Housing Production
14 Trust Fund.

15 Finally, we here at DHCD are the
16 structure administrators of the Housing
17 Production Trust Fund.

18 I would like to also publicly say
19 the obvious. We are here to administratively
20 and technically support this effort in every
21 possible way - in any way possible.

22 With that, I'd like to ask our

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1 deputy mayor, Victor Hoskins, who really
2 doesn't need much of an introduction, you
3 know, the man is responsible for, as the mayor
4 calls it, the change in the City. \$18 billion
5 worth of activities. He's already got
6 fantastic economic development that's
7 happening all over the City.

8 But if you don't know, this man is
9 also deeply embedded in our world as well.
10 Victor has come to us with having forgotten
11 more about the development of housing than
12 most people know.

13 (Laughter.)

14 MR. KELLY: And I think he brings
15 besides just the titular leadership, the sort
16 of vision and thought leadership, leadership
17 that we need to continue.

18 Without further ado, Victor
19 Hoskins, Deputy Mayor.

20 MR. HOSKINS: Thank you so much.
21 You guys have a lot to do today. So, I won't
22 take much time.

1 I don't know everyone in here.
2 So, if we could take a minute and go around
3 the table, I'd really like to just, you know,
4 I know most of you, but some of you I don't
5 know.

6 CHAIRMAN BOWERS: We'll do the
7 intros right after the swearing in.

8 MR. HOSKINS: Okay.

9 CHAIRMAN BOWERS: Is Mr. Gorman
10 here?

11 (Discussion off the record.)

12 CHAIRMAN BOWERS: Okay. Thank you.
13 So, we're going to actually ask Mr. Gorman to
14 swear --

15 MR. HOSKINS: Yeah, that would be
16 great.

17 CHAIRMAN BOWERS: - the last two
18 in officially, and then we'll do
19 introductions.

20 MR. HOSKINS: Thank you.

21 CHAIRMAN BOWERS: Yes, sir.

22 MR. GORMAN: And as a favor to me

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1 I'd also like to also swear in Beatrice Fields
2 to The Board of Condemnation of Insanitary
3 Buildings.

4 (Discussion off the record.)

5 (Pause in the proceedings.)

6 CHAIRMAN BOWERS: And, Mr. Gorman,
7 is there an actual oath we're going to
8 administer to them -

9 MR. GORMAN: Yes.

10 CHAIRMAN BOWERS: - is that right?

11 MR. GORMAN: Yes.

12 CHAIRMAN BOWERS: Okay.

13 (Pause in the proceedings.)

14 CHAIRMAN BOWERS: While David and
15 Stan are signing their forms, I am going to
16 ask the members that have been sworn in if you
17 can go - we'll go around and do introductions
18 of ourselves, let them be sworn in, and then
19 let the deputy mayor have his remarks. He'll
20 know who's in the room.

21 So, again, I'm David Bowers. Day
22 job with Enterprise Community Partners.

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1 Bob Pohlman, you're on the phone.
2 Do you want to introduce yourself, sir?

3 MR. POHLMAN: Yes, I am. Hi. This
4 is Bob Pohlman. I'm executive director of the
5 Coalition for Nonprofit Housing and Economic
6 Development and a board member.

7 CHAIRMAN BOWERS: Great. Thank you.
8 Sue Marshall, why don't we start with you and
9 go around?

10 MS. MARSHALL: Good morning. I'm
11 Sue Marshall. I'm the executive director of
12 the Community Partnership for the Prevention
13 of Homelessness and a board member.

14 MR. ROODBERG: David Roodberg. I'm
15 CEO of Horning Brothers and a board member.

16 MR. KNIGHT: My name is Jim Knight.
17 I serve as president of Jubilee Housing, board
18 member.

19 MS. NEWSOME: I am Oramenta
20 Newsome. I am the executive director of
21 Washington, D.C. LISC and a board member.

22 MR. SIMMS: Good morning. I'm

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1 Nathan Simms. I'm the chief program officer
2 for DHCD.

3 MS. ORDERS: Hi. I'm Vonda Orders.
4 I'm general counsel for the D.C. Department of
5 Housing and Community Development.

6 MS. HUGHES: Good morning. My name
7 is Traci Hughes. I'm the director of Office
8 of Open Government under the Board of Ethics
9 and Government Accountability.

10 MR. ANYAEGBUNAM: My name is Oke
11 Anyaegbunam. I am the manager of the
12 Development and Finance Division, DHCD and
13 HPTF manager.

14 MR. STUCKER: I'm Gilles Stucker.
15 I'm with the Office of Deputy Mayor for
16 Planning and Economic Development.

17 MR. RODGERS: Art Rodgers with the
18 Office of Planning.

19 MS. BARTEE-WILLIAMS: Martine
20 Barte-Williams.

21 MR. KEMP: Doug Kemp, budget
22 officer, Department of Housing and Community

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1 Development.

2 MR. PASCAL: Good morning. Craig
3 Pascal, BB&T and a board member.

4 MS. PRIOR: I'm Jacqueline Prior,
5 The Morris and Gwendolyn Cafritz Foundation
6 and a board member.

7 MR. JACKSON: Stanley Jackson.
8 President and CEO of Anacostia Economic
9 Development Corporation and a board member.

10 MS. FIELDS: Beatrice Fields,
11 Department of Housing Community and
12 Development.

13 MR. BAILEY: Milton Bailey, special
14 assistant to the deputy mayor and director of
15 DHCD.

16 MS. TREGONING: Harriet Tregoning.
17 I'm the director of the D.C. Office of
18 Planning, and I am honored to be your guest.

19 CHAIRMAN BOWERS: Welcome.

20 Mr. Gorman, introduce yourself.

21 MR. GORMAN: Can we get all three
22 to stand here together?

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1 (Discussion off the record.)

2 CHAIRMAN BOWERS: Bob, for you on
3 the phone, we're just doing a little official
4 swearing in here.

5 MR. POHLMAN: Sure.

6 MR. GORMAN: Raise your right hand.

7 (New members sworn in.)

8 MR. GORMAN: Congratulations.

9 GROUP RESPONSE: Thank you.

10 CHAIRMAN BOWERS: Thank you, Mr.
11 Gorman. Appreciate it, and David and Stan.
12 So, as you all see on the agenda we've got -
13 we're going to switch up things just a little
14 bit.

15 We're going to actually ask the
16 deputy mayor because of his schedule, we're
17 going to ask him to take his time now to do
18 his remarks and kind of lay groundwork as it
19 relates to the mayor's objectives and then
20 we'll go back to the standing agenda.

21 So, Mr. Deputy Mayor.

22 MR. HOSKINS: Fantastic. Well,

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1 first of all, I want to thank you all in this
2 room for not just the commitment to the city
3 and the time on this board, but what you have
4 done for the City over the years.

5 I mean, every organization in here
6 and each of you have contributed greatly to
7 the affordable housing industry in the City.

8 And whether it's been in the
9 private sector or in the nonprofit sector,
10 you've all stood strong and we appreciate
11 that.

12 And I think that's really why the
13 mayor wanted to make sure that this body was
14 brought in terms of its membership, you know,
15 from private sector developers, to finance,
16 to, you know, to nonprofits. So, I really
17 want to thank you for what you've done and
18 what you're about to do.

19 What you've taken on is a huge
20 task. I mean, to produce, you know, 10,000
21 units by 2020 is no small objective. It's
22 really something that hasn't been done before.

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1 In addition to that, you know, the
2 preservation of units on the scale that we're
3 talking about has never been done before.

4 And in that, you really need - we
5 need, the City and the greater district
6 community, we need a lot of partnerships, a
7 lot of relationships to work more smoothly,
8 you know.

9 We've been working on our
10 relationships in the city. I want to thank,
11 you know, certainly in her absence, Bebe
12 Otero, but, you know, her team member here for
13 their, you know, contribution in leading up to
14 this process.

15 In addition to that, Harriet
16 Tregoning and her team has done a tremendous
17 job internally working with our leaders in all
18 our housing agencies across the City, anybody
19 that touches housing either from permitting,
20 to development, to finance and really
21 preparing us to work with you.

22 So, you're going to be supported

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1 not just by, you know, Michael Kelly and his
2 team here at the DHCD, but every agency in the
3 City and every resource in the City is being
4 put behind us.

5 When we met about a month ago,
6 Harriet and her team did a really fantastic
7 job of giving us a picture of where the City
8 was, is, and where we're going.

9 And in doing that, it really
10 showed that, you know, groups that haven't
11 really been part of making these changes
12 before like DGS that have a lot of assets in
13 the City, have an important role to play in
14 this process.

15 We are going to be leveraging our
16 assets like never before. So, I want to thank
17 them for, you know, helping kind of set the
18 stage for us.

19 You know, certainly all of you in
20 here have your perspective, all of you in here
21 have a list of accomplishments behind you, but
22 the one that's in front of us is big for

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1 everybody in this room.

2 And I don't want anybody to think
3 that it's going to be easy, that we're all
4 going to agree, because we're not. That's
5 just, I mean, I'd love that to happen.

6 We will develop a consensus, but
7 we will not all agree. Because like I always
8 tell people, you know, I have a difficult time
9 agreeing with my wife on stuff.

10 I mean, we were talking last night
11 about the size of the flat screen. So, any
12 man in this room, you know they don't make a
13 flat screen big enough, right? Isn't that
14 right?

15 They just don't. I mean, because,
16 you know, we want to be at the game. I mean,
17 you want the people to be as big as the field.

18 MR. BAILEY: You want to be at the
19 game.

20 MR. HOSKINS: Right. Exactly. And
21 she's like, eh, you know, it takes over the
22 room and so there's going to be - but we

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1 develop a consensus.

2 She's actually marked off a space
3 on the wall that we've both been looking at
4 and we've given our pros and cons on the size
5 of the space taken up.

6 And you know what? I had to agree
7 with her. You know what? The size of the
8 screen I was thinking about was actually too
9 big, you know. 180-inch screen just -

10 (Laughter.)

11 MR. BAILEY: Too big for the wall.

12 MR. HOSKINS: It was too big. It
13 was too big, okay. I admitted that, okay.
14 So, I backed up now, you know, we're down to,
15 you know, much smaller, but the point I'm
16 trying to make is that, you know, we can agree
17 that some things are outlandish, you know, and
18 some things aren't enough.

19 And what I hope is that we develop
20 a consensus somewhere in the middle, because
21 I think that's how you go forward.

22 I mean, you don't go forward, I

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1 mean, I wish we could go forward, you know,
2 locked arms, kumbaya, but that's not how it
3 happens.

4 It actually happens more in, no, I
5 don't agree with that, that's not enough, no,
6 I don't agree with that, that's too much,
7 somewhere in the middle. And that's really
8 what I'm asking, you know, us to do, you know,
9 as a group.

10 And I think that's what the mayor
11 is asking of you to bring your expertise to
12 the table, to express your considered opinion,
13 to help us develop policies and a framework
14 for how we're going to move forward to achieve
15 10,000 units by 2020.

16 I have been fortunate that in my
17 past I have been involved in challenges like
18 this before, but on a statewide basis.

19 It's very different when you're
20 dealing on a state scale. The size of the
21 resources are different, the way that you work
22 with the federal government are different.

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1 I was working with local
2 jurisdictions and I was actually providing
3 resources for them. So, it's a different
4 relationship.

5 The District of Columbia is unique
6 in that we are state, we are city. I mean, we
7 are, you know, we're both in one and we have
8 actually a disproportionate amount of
9 responsibility.

10 We carry the disproportionate
11 amount of weight of affordable housing for the
12 region. Everyone in this room knows that and
13 we know they - we know that our regional
14 neighbors have not been fair in that process,
15 but we can't, you know, whine about what they
16 have. We have to take control of what we have
17 and do a good job with it.

18 So, what has the mayor done? The
19 mayor has kind of laid down the gauntlet. A
20 hundred million dollars. There is nothing
21 else in his budget that big. Single item, 100
22 million dollars for affordable housing.

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1 That's not all. That's what he's done so far,
2 and what he's looking for from us is good
3 stewardship.

4 The reason that he had a hundred
5 million dollars to put down is that the last
6 two-and-a-half years he has run this
7 government with good stewardship.

8 He has been a great fiduciary. He
9 has called on myself, Michael Kelly and
10 Director Tregoning and Bebe Otero and all of
11 us to take cuts, to deal with financial
12 challenges so that we would one day have
13 surpluses.

14 Now, we've had two in a row.
15 After two in a row, you kind of feel confident
16 that you're doing pretty well.

17 So, he's put this down and I think
18 that if we have another budget surplus, and I
19 think that's a pretty good bet at this point,
20 there will probably be more, but he's going to
21 be looking for what we do with this hundred
22 million dollars.

1 So, all I'm saying is that, you
2 know, we've got a big challenge in front of
3 us. We're going to do it together. We will
4 have - it will be an interesting road on the
5 way there, because I know there's some very
6 strong perspectives in this room.

7 I've worked with many of you over
8 the years. So, I know you have opinions and
9 we want those. But I would ask you to, if you
10 could, be patient with each other in our
11 different perspectives, because we all have
12 different responsibilities.

13 I can't imagine sitting in a bank
14 right now knowing the interest rates are about
15 to rise and what that must feel like.

16 I can't imagine sitting at a
17 nonprofit knowing the donations this year were
18 lower than last year and trying to meet the
19 same objectives.

20 I don't know what those pains are.
21 I got my own pains. Sometimes they're in the
22 newspaper and you get to see them, but

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1 sometimes they're in my office and I have to
2 deal with them.

3 So, we bring those things to this
4 conversation and I guess what I'm saying is
5 that let's be patient and thoughtful and
6 respectful in how we listen to those opinions
7 and how we address them. Because I think we
8 all have the same goal here, which is to
9 produce more affordable housing for the
10 District of Columbia citizens.

11 I think we all have the same goal.
12 I think we all have the same desire to help
13 people who are in need. I don't think anybody
14 in here is heartless. Everyone in this room
15 is a compassionate person, you know, certainly
16 the ones that I know and from what I've seen.

17 So, with that as a, you know, as a
18 kind of a backdrop, you know, I look forward
19 to the recommendations that are going to come
20 out of this process, but we're going to
21 provide you with as much undergirding as we
22 can.

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1 If there is research or if there
2 are analytics to be done, you know, we pass
3 those things through Michael. And his team
4 and our team, you know, will help, you know,
5 do whatever, you know, background analysis
6 that needs to be done.

7 If there's exploration of existing
8 programs or some redesign of existing
9 programs, you know, we're open to it, you
10 know.

11 We're not - we don't have the fix.
12 If we had the fix, we wouldn't even be at this
13 table. I mean, if it was done, you know, or
14 if it were easy, we wouldn't be at this table.

15 But it hasn't been done and it is
16 not easy, and I'm just proud that you guys are
17 taking this on, because, you know, I know some
18 of you, you know, deal with this kind of
19 punishment all the time, you know.

20 And, you know, Mr. Bowers himself,
21 you know, deals with this every day not just
22 in D.C., but throughout the region.

1 So, with that, I will conclude my
2 remarks and again express on behalf of the
3 mayor appreciation for, you know, your
4 dedication to the District and for all that
5 you're about to do.

6 CHAIRMAN BOWERS: Thank you, Mr.
7 Deputy Mayor. Appreciate it. I'm going to
8 ask if we can do a slight - again, a slight
9 modification of the agenda.

10 I'm going to ask if our
11 representative from Deputy Mayor Otero's
12 office can bring a word of welcome. Then,
13 we'll take about five minutes if anyone has
14 questions for either of them in case they have
15 to leave early.

16 Then, we'll go back and have Ms.
17 Hughes do our open meeting review. So, yes,
18 ma'am.

19 MS. QUINONES: Thank you. My name
20 is Ariana Quinones. I'm the chief of staff
21 for Deputy Mayor Otero in the Office of the
22 Deputy Mayor for Health and Human Services.

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1 And on her behalf, I bring
2 greetings and appreciation. So, thank you
3 very much for stepping up to take on this
4 challenge. And as Deputy Mayor Hoskins said,
5 it will be a challenge.

6 As you know, there's a need for
7 additional housing in the District for all
8 income levels. And our office in particular
9 is thinking about the population of zero to 30
10 percent of AMI. And those are marginalized
11 and sort of on the fringes of this.

12 So, as we think about all the new
13 residents coming into the District and
14 developing housing for them, we want to make
15 sure that we're not overlooking those
16 residents who are already here.

17 And as you know, we've got a
18 significant number of folks who are homeless
19 and in shelters or on the streets. So, we
20 have a particular interest in moving those
21 folks to self-sufficiency, and housing is a
22 critical aspect of that transitional work.

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1 So, we are asking you to come up
2 with creative challenges - or creative
3 solutions to these challenges and looking at
4 how do we make these projects feasible,
5 because that zero to 30 is the toughest part
6 of the spectrum.

7 So, how do we leverage the
8 resources that we have? Deputy Mayor Hoskins
9 also mentioned the inventory that we have in
10 the City. So, how do we make sure that we're
11 utilizing that to its most potential so that
12 we can address this challenge?

13 So, we are here to collaborate.
14 We are really pleased to be at the table with
15 all of the directors and the other deputy
16 mayors here to make this work a reality for
17 our city and we know we can do it.

18 So, this hundred million is a
19 wonderful step in the right direction and we
20 do want to make sure that we're maximizing
21 that for all residents of the city. So, we
22 are looking forward to a good partnership.

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1 I also want to make sure that I
2 introduce Matt Scow who is in the back here.
3 He is the point person from our office on all
4 things housing and homelessness related. So,
5 he will be a critical player in these
6 conversations and meetings and a resource for
7 you if you need information and support in
8 particular from our office.

9 So, thank you again. I'll cut it
10 short so we can jump into the agenda.

11 CHAIRMAN BOWERS: That's great.
12 Thank you both very much. Appreciate it.
13 Again, we'll take about five or six minutes
14 for a couple of questions for Deputy Mayor
15 Hoskins and, I apologize, your last name
16 again?

17 MS. QUINONES: Quinones.

18 CHAIRMAN BOWERS: Quinones. Ms.
19 Quinones.

20 MR. HOSKINS: Very common name.

21 (Laughter.)

22 CHAIRMAN BOWERS: I want to make

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1 sure we have it right. So, let me start off
2 with one question and then I'll open it up to
3 members of the board for other questions.

4 But, Deputy Mayor Hoskins, when we
5 had our orientation, one of the things that
6 was described to the board was, one, kind of
7 what I call the traditional advice as it
8 relates to the trust fund, but there was also
9 some mention of the board being tasked or
10 asked to do some work as it related to picking
11 up where the Housing Task Force left off.

12 MR. HOSKINS: Yes.

13 CHAIRMAN BOWERS: So, I think it
14 would be helpful for the Board to hear from
15 you how much or how little is the mayor hoping
16 that we would take on the task of rolling
17 with, if you would, kind of some of picking up
18 the implementation or picking up where the
19 Housing Task Force left off.

20 MR. HOSKINS: I appreciate that
21 question, and I think what we need to be is
22 realistic and, if we could, take the things

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1 that weren't done by the Task Force and kind
2 of spend some time really ranking them in
3 terms of what's the most important thing to
4 get done of what they haven't gotten done.

5 If we could just, like, pick the
6 top two or three, I think that would be
7 sufficient because everything that wasn't
8 done, can't be done. And I think the
9 expectation to put that on this team is not
10 appropriate. It would just be too much.

11 I'm looking forward to the 10,000
12 unit discussion and the 8,000 preservation -
13 I'm looking forward to that as the out - the
14 primary outcome of this group.

15 So, I think we take those that
16 weren't done, you know, rank them, you know,
17 and figure out, you know, the one, two, three
18 order and just take them one at a time, you
19 know.

20 And I think that there's only so
21 much capacity. I mean, we're asking a lot of
22 you guys. We got three hours of your time

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1 today.

2 So, I don't want to, you know,
3 overburden you with things that, you know,
4 that weren't done, because it does take a lot
5 to get this stuff done.

6 CHAIRMAN BOWERS: Sure. Thank you,
7 sir. Other questions from members of the
8 Board for Deputy Mayor Hoskins, for Ms.
9 Quinones?

10 (No response.)

11 CHAIRMAN BOWERS: Going once -

12 MR. ROODBERG: I'll ask one.

13 CHAIRMAN BOWERS: Yes, sir.

14 MR. ROODBERG: So, as an advisory
15 board on the Housing Production Trust Fund, is
16 the focus just primarily on the hundred
17 million that's there now, or, you know, you
18 talk about the potential of additional dollars
19 down the road that coming up with a broader
20 plan beyond the hundred million as future
21 funds come in?

22 MR. HOSKINS: Well, I think the way

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1 that you need to look at this is we've got a
2 hundred million right now. Let's figure out
3 how to spend it and the best way to spend it.
4 And I think that would inform what's going to
5 happen in the future. So, to me, that is
6 what's in front of us.

7 October 1 people are going to go,
8 so, where's the money? And October 1 we don't
9 want to go, ah, we're still trying to figure
10 that out.

11 We've got a very short period of
12 time between now and then and we have some
13 people working on things, too, but we would
14 like to get some guidance and some suggestions
15 on, you know, things like, you know, really
16 what is the subsidy guardrail? I mean, like,
17 you know, is \$800,000 a unit too much subsidy?

18 Right. That's why I said it.
19 That's exactly why I said it. Is, you know,
20 is 2,000 too little? And that's why I said
21 it, because we know those numbers are crazy.
22 So, it's somewhere in between those numbers.

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1 Is 500,000 too much a unit? You
2 know, is 20,000 too little? I mean, we need
3 to figure out, okay, so, when we get to that
4 number - because that's what we're talking
5 about. This is going to come down to dollars.
6 So, how do we make those dollars go longer?

7 Like, is there a piece of land
8 that's currently owned by the District that we
9 can make part of this transaction that is in
10 the same vicinity as the plan project that we
11 could use it instead of the current land that
12 they're going to use that costs more?

13 Do you understand what I'm saying?
14 That's really what we want to do. That is
15 really where we want to go.

16 We want to get this down to what
17 are the transactions we're going to do over
18 the next 12 months? That's really what we
19 want to do, because I think everyone here is
20 a pragmatist.

21 I mean, I know you have numbers to
22 hit. I mean, I know, you know, I know

1 Oramenta has numbers to hit. Everybody in
2 this room knows there are a certain number of
3 people that you want to get in housing that
4 are homeless right now. See, there are
5 numbers that all of us want to hit. So, let's
6 get to it.

7 We can talk about that later, but
8 do not think that the other programs that
9 exist that are on the way like the New
10 Communities Program, you know, that are being
11 run by, you know, part of our team like Reyna
12 in the back is helping lead that effort. That
13 is part of the solution, too.

14 I mean, you know, there are
15 projects that, you know, that you guys are
16 currently funding through the NOFA program.
17 That money is available, too.

18 So, you got to look at what's here
19 right now and how we're going to spend that,
20 because I think that will tell the City
21 Council and the Mayor what we need next.

22 I mean, to me, that's - it's very

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1 practical and very simple.

2 CHAIRMAN BOWERS: Great. Jim
3 Knight, and then Sue Marshall.

4 MR. KNIGHT: So, a follow-up
5 question that may start to get deeper into the
6 weeds and need more time to answer, but just
7 to sort of acknowledge that the time frames
8 contemplated, you just said, commit in 12
9 months all this money with sort of at least
10 the recent history with DHCD putting out
11 annual RFPs. Next one due in May if there's
12 no change.

13 So, is this body being asked to
14 think about alternative ways to commit that
15 money sooner to ready projects?

16 MR. HOSKINS: Exactly. Exactly.
17 That's exactly what we want you to do. So, do
18 we do two rounds of 50 million, one in
19 December, one in, you know, February, and then
20 have this NOFA later on?

21 I mean, what do you suggest?
22 That's what we're looking for. That is what

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1 we're looking for. Do we try to put all the
2 hundred million out in one round?

3 I mean, I don't have any
4 preconceived notions and there are no
5 parameters.

6 I don't think we should wait. His
7 process is his process right now. We're
8 trying to augment that. Think of this as an
9 augmentation of an existing condition.

10 CHAIRMAN BOWERS: Great.

11 MR. HOSKINS: Because that's not
12 fast enough.

13 CHAIRMAN BOWERS: Sue Marshall.

14 MS. MARSHALL: So, so far the
15 comments have all been supply side, if you
16 will. I would very much appreciate hearing
17 both of your takes on the demand side of the
18 equation and want to start off by saying I
19 think that the demand side is equally
20 important so that when we prioritize we make
21 sure we figure out how to give balance to
22 demand side issues so that the supply side is

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1 acceptable.

2 MR. HOSKINS: So, for me, and she
3 probably knows exactly what you're talking
4 about, but, for me, can you clarify your
5 demand side? Because "demand side" means
6 something very different in, you know -

7 MS. MARSHALL: Demand side has to
8 do with the people. How do you make the
9 people who are homeless, who are in the zero
10 to 30 percent able to fully participate and
11 take advantage of the units that the supply
12 side is creating and it's not just production.

13 MS. QUINONES: And that's why we're
14 at the table. And as I mentioned in my
15 opening, the zero to 30 is going to be the
16 toughest challenge, I think, in terms of the
17 production and making that feasible. That's
18 why we're here.

19 So, I think we need to look at
20 tools. How do we make sure that we've got
21 tools that will allow for production of the
22 zero to 30?

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1 So, we know in some of the
2 developments that are going on like IZ gets us
3 only so far.

4 So, what do we have to think
5 differently in terms of the policies and RFPs
6 and things that will allow us to actually meet
7 the demand that we have for those residents
8 who are already here?

9 MR. HOSKINS: And there are
10 different needs in the zero to 30 category.
11 There are some needs in zero to 30, for
12 example, where people can't work. They're
13 disabled and they can't work.

14 So, there should be no expectation
15 that they're going to be producing income, but
16 there are also some conditions where people
17 can work and we believe they should work. So,
18 we need to connect them to jobs. And, to me,
19 that's also demand side.

20 So, she's got one element of it,
21 and I've got another. So, and that's why we
22 have DOES and, you know. And, by the way, I'm

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1 not even going to go there, because that's a
2 whole other issue. I'm about to roll into my
3 job-killing legislation that's out on the
4 field right now.

5 (Laughter.)

6 MR. HOSKINS: Excuse me. I got to
7 hold myself back.

8 (Discussion off the record.)

9 CHAIRMAN BOWERS: Let's get one
10 more question and then we'll move on. Yes,
11 Oramenta.

12 MS. NEWSOME: Yes. We have the
13 hundred million here. Is there a number we
14 should be looking at on the demand side that
15 will be available the next 12 months to
16 complement the hundred million?

17 MS. QUINONES: Yeah, I don't know
18 that we got as far as we wanted from the
19 previous task force with that side, but that's
20 one of our -

21 MR. HOSKINS; That sounds like the
22 number one ranking issue to deal with.

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1 MS. NEWSOME: So, it's not a number
2 that we know now. It's a number that has to
3 be developed, okay.

4 MS. QUINONES: And it's related to
5 the database project. There's a lot of
6 information that we're trying to gather so
7 that we can come up with some benchmarks for
8 that.

9 MS. NEWSOME: So, and I appreciate
10 that, but I do want to say that, you know,
11 come October 1 there will be an announcement
12 of whatever number of applicants will go
13 forward. And a percentage of those will be
14 for ones serving below 30 percent of AMI.

15 So, at that point, we are going to
16 need a sense of what should be provided to the
17 people who will be occupying those units in
18 terms of any resources the City may have.

19 So, I think it's we plan ahead on
20 that, but we can't - if we're going to reach
21 that 30 percent serving them, we have to have
22 some resources come October 1 that's going to

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1 be devoted to those successful applicants.

2 So, that's something I think we
3 want to talk a little -

4 MR. HOSKINS: And you're thinking
5 outside of the hundred?

6 MS. NEWSOME: On the demand side,
7 not the production side.

8 MR. HOSKINS: Yeah.

9 MS. NEWSOME: So, I think you plan
10 ahead to the future, but I think it's
11 unrealistic to not talk about what can we
12 offer on the demand side financially for those
13 successful applicants as of October 1 in order
14 to reach the 30 percent AMI - zero to 30
15 percent AMI.

16 MS. QUINONES: We're on it.

17 CHAIRMAN BOWERS: That's great.
18 Thank you, Mr. Deputy Mayor, we very much
19 appreciate it, and Ms. Quinones. Of course
20 you all are welcome to stay, but we understand
21 if you all have to leave. I know there's work
22 to be done.

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1 (Laughter.)

2 CHAIRMAN BOWERS: Thank you, sir.

3 MR. HOSKINS: Thank you, guys.

4 CHAIRMAN HOSKINS: Appreciate it.

5 Thank you very much. Ms. Traci Hughes. We're
6 going to go back now in our agenda to Item
7 Number 2, the open meeting review.

8 So, Ms. Hughes.

9 (Discussion off the record.)

10 (Pause in the proceedings.)

11 MS. HUGHES: So, for those of you
12 on the phone, can you all hear me? I've got
13 the mic on the table.

14 CHAIRMAN BOWERS: Bob, can you hear
15 Ms. Hughes?

16 MR. POHLMAN: Not real well.

17 CHAIRMAN BOWERS: Okay.

18 MR. BAILEY: We can crank it up a
19 little bit.

20 MS. HUGHES: Bob, can you hear me
21 now? Is that good?

22 (Discussion off the record.)

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1 CHAIRMAN BOWERS: So, why don't you
2 start off? And, Bob, if you can't hear, just
3 let us know and we'll -

4 MR. POHLMAN: Okay.

5 MS. HUGHES: So, good morning,
6 everyone. Thank you for inviting me this
7 morning.

8 I'm going to for the sake of time
9 and expediency, make my presentation as short
10 as possible in case you have any follow-up
11 questions.

12 I recognize many of you were in
13 the room when I attended the last meeting with
14 my counterpart Darrin Sobin who is the
15 director of the Office of Ethics.

16 So, just briefly, the Board of
17 Ethics and Government Accountability has two
18 directors under that office. It's myself, the
19 director of the Office of Open Government, and
20 then Mr. Sobin, the director of Ethics.

21 The office is in charge of as a
22 whole, ensuring that there's greater

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1 transparency amongst District government, and
2 that also all district government employees or
3 those tasked with carrying out the job of
4 district government are complying with ethics
5 regulations.

6 So, for the purposes of our
7 discussion today for the Open Meetings Act,
8 it's the mission of the Office of Open
9 Government to ensure that district government
10 operations at every level are transparent,
11 open to the public and promote civic
12 engagement.

13 I am in charge of oversight in
14 addition to the Open Meetings Act of the
15 Freedom of Information Act, and ensure that
16 there's compliance with both statutes.

17 As it relates to the Open Meetings
18 Act, I am also - I also have the authority to
19 file action in D.C. Superior Court for
20 injunctive relief should I find or be made
21 aware of that there is persistent
22 noncompliance with the Open Meetings Act.

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1 All right. It's the policy of the
2 District that all persons are entitled to full
3 and complete information regarding the affairs
4 of government and the actions of those who
5 represent them as public officials and
6 employees.

7 The Open Meetings Act is triggered
8 whenever there's a gathering of a quorum of
9 members of a public body where members
10 consider, consent, or advise on public
11 business.

12 This applies to meetings held in
13 person, by phone, electronically or by any
14 other means of communication.

15 So, meetings can consist of
16 hearings, round tables, any regular or special
17 or emergency meeting, but it excludes courts,
18 governing bodies and charter schools and the
19 mayor's cabinets, any meetings of just
20 gatherings of administrative staff, et cetera.

21 So, for example, we have members
22 of the Board who are here in person, and then

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1 those joining us by phone.

2 When you agendize a meeting for
3 the public portion of the meeting, which is
4 the portion that we're currently in, make that
5 telephone number available to members of the
6 public if the meeting is being held via
7 conference call and in person.

8 Now, there are several exceptions
9 where items to be discussed in a meeting do
10 not have to be discussed in a public forum.

11 Generally, there are nine
12 categories of exceptions where meetings -
13 portions of that meeting can be subject to
14 executive or closed session. And these
15 exceptions closely mirror the Freedom of
16 Information Act.

17 So, again, where you find the
18 synergy between FOIA, the Open Meetings Act,
19 Office of Open Government overall transparency
20 and the Board of Ethics.

21 Now, keep in mind that I want to
22 make this important point. You see here under

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1 the Exceptions that the attorney-client
2 privilege will apply in certain
3 circumstances.

4 Just because you have an attorney
5 in the room does not mean that that portion of
6 the meeting may be closed.

7 Now, I'm stating that for a
8 reason, because sometimes that causes
9 confusion.

10 If you've got individuals in the
11 room who aren't familiar with attorney-client
12 privilege, I just don't want you to get
13 confused.

14 The attorney-client privilege
15 exception applies only where the attorney is
16 offering advice to the members of the Board as
17 part of a legal matter or in anticipation of
18 litigation.

19 Any questions?

20 (No response.)

21 MS. MARSHALL: Now, this is the
22 nitty-gritty of the Open Meetings Act. As I

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1 mentioned, the Open Meetings Act is triggered
2 only when there is a gathering of a quorum of
3 a board or commission.

4 Now, notice. Notice is required
5 48 hours or two business days, whichever is
6 greater.

7 I recognize that this particular
8 board does also file in advance its meetings
9 in the Register. However, if you find that
10 you must hold or conduct a special or
11 emergency meeting, two business days' or 48
12 hours' notice is required.

13 Notice must include the date,
14 time, location and the plan agenda to be
15 covered at the meeting.

16 Notice must be posted in a
17 location that's readily accessible to the
18 public, on the website, in the Register,
19 whatever is practical. But at bare minimum,
20 it must be a physical posting of the time,
21 date and location of the meeting and on the
22 website.

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1 Now, this board is fortunate
2 because it's got the resources and the
3 administrative support to be able to post the
4 agenda and notice on the governing agency
5 website.

6 Meetings must be recorded in
7 either audio or video and made available upon
8 request.

9 The audio/video recordings need
10 not be posted to the website, just simply made
11 available upon request.

12 Meeting minutes. This is
13 particularly problematic, but is the way that
14 the statute is currently written.

15 Meeting minutes must be made
16 available, and I'm recommending they be posted
17 on the website since the agenda of that
18 meeting and notice of the meeting is also
19 posted on the website.

20 Must be posted on the website
21 within three business days upon the conclusion
22 of the meeting.

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1 I recognize that this is highly
2 problematic, because many of you do not meet
3 three days after the last meeting. However,
4 if you can develop a process, please, where
5 you can at minimum post draft meeting minutes,
6 they can be in bulleted format, along with the
7 agenda for that meeting - and the purpose for
8 this is that if you have members of the public
9 wishing to follow the agenda or at least the
10 outcome or to know generally what was
11 discussed as a result of the agenda, they have
12 a record online of what occurred, okay.

13 If you find that you can post the
14 draft meeting minutes within three business
15 days, just simply provide a notation at the
16 top of that document indicating that they are
17 draft meeting minutes. And full final meeting
18 minutes will be posted, I'm assuming, at the
19 date of the next meeting of the Board.

20 Okay. There have been questions
21 raised as to how should minutes look. It's
22 somewhere between a full transcription and

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1 bullet points. This is the final meeting
2 minutes.

3 You do not need to transcribe or
4 make available a full transcription of the
5 meeting.

6 Okay. Any questions?

7 CHAIRMAN BOWERS: Just one quick -
8 a couple questions for clarity. The full and
9 final minutes, did I hear right that they can
10 be posted after the next meeting once they
11 have been approved by the Board, or did I hear
12 that wrong?

13 MS. HUGHES: If wherever possible
14 you can post the full meeting minutes within
15 that three-business-day window, I'm asking
16 that you do. However, I recognize that's
17 highly impractical particularly for such a
18 large body.

19 In the alternative as an
20 intermediary fix in order to comply with the
21 statute, it is my recommendation that at
22 minimum you post draft meeting minutes along

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1 with the agenda for that meeting on your
2 website with a notation indicating that the
3 final approved and full meeting minutes will
4 be posted the same day of the next board
5 meeting, because typically it's agendized on
6 the meeting that the members of the Board will
7 approve the last meeting minutes.

8 CHAIRMAN BOWERS: Gotcha. The
9 other question, you mentioned website.

10 Which website are these minutes
11 being posted to? Is it -

12 MS. HUGHES: Beatrice, is it the
13 Department of Health and -

14 CHAIRMAN BOWERS: The DHCD website,
15 okay. And one other just from a staffing
16 standpoint, this is a question I think will be
17 for you. So, I see a gentleman taking minutes
18 here.

19 Is there infrastructure to record
20 these meetings and is there any staff support
21 to actually type up the minutes, the bulleted
22 form and/or the final and full?

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1 MS. FIELDS: You'll have to talk to
2 Mr. Kelly about that.

3 CHAIRMAN BOWERS: Okay. All right.
4 Jackie.

5 MS. PRIOR: Because we're also
6 involved in these housing issues, there can be
7 times - there are times when technically a
8 quorum of this board is all together in a
9 meeting for some other reason, but we talk
10 about housing issues.

11 So, is there a risk of violating
12 Open Meetings and what should we be doing to
13 avoid that risk?

14 MS. HUGHES: Yes, there is a risk
15 there. Because technically if you have one
16 person in addition to half of the meeting
17 members of the board, technically that is a
18 quorum and the Open Meetings Act is triggered.

19 If you find that you're able to
20 provide notice in advance that that meeting is
21 going to occur even if you all are just simply
22 gathering via telephone conference call, you

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1 must provide notice for that meeting.

2 Now, keep in mind that with the
3 Open Meetings Act if there are subcommittee
4 meetings being held, that those subcommittee
5 meetings are not subject to the Open Meetings
6 Act. That is in line with the spirit and
7 intent of the statute in that it's typically
8 the intention of subcommittees to bring their
9 findings before the full gathering of the
10 Board for a vote to be taken on whatever that
11 action may be in a public setting.

12 MS. PRIOR: There can be instances
13 where our intent is not to be meeting as this
14 board, but our intent is because we're part of
15 other organizations.

16 So, do we have to be careful in
17 that respect?

18 MS. HUGHES: Well, no. Because if
19 you're gathering as part - can you give me an
20 example?

21 MS. PRIOR: I'll give the example
22 of the Affordable Housing Leverage Working

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1 Group, you know. We privately have gotten
2 together and we are working together to try to
3 come up with ways that foundations and banks
4 and the intermediaries and equity investors
5 can somehow contribute towards affordable
6 housing in the City. It happens that five of
7 the members of the Board are also part of that
8 group.

9 So, how do we protect ourselves?

10 MS. HUGHES: That does not trigger
11 the Open Meetings.

12 MS. PRIOR: Okay.

13 MS. HUGHES: Because that just
14 happens to be you all in the same industry are
15 gathering for that purpose.

16 MS. PRIOR: All right.

17 MS. HUGHES: The Open Meetings Act
18 specifically covers any instances where the
19 business of district government whether you're
20 either conducting, advising or making
21 decisions regarding district government
22 business.

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1 MS. PRIOR: Okay.

2 MS. HUGHES: Okay. Because it
3 could be that you all may be gathered in some
4 other social setting -

5 MS. PRIOR: Right.

6 MS. HUGHES: - and, you know, for
7 whatever reason. That's not the intention of
8 the Open Meetings Act.

9 Now, one important point regarding
10 notice and the agenda, there is a requirement
11 when you agendize a meeting as part of the
12 public notice, that it include a portion of
13 the agenda which is specifically noting the
14 citation to one of the exceptions in the Open
15 Meetings Act that you're relying upon to go
16 into executive or closed session, okay. And
17 your meeting minutes should reflect that.

18 Also, if there's any chance that
19 there's going to be a commingling of your
20 recordings for the public and the executive
21 portions of the meetings, it's my
22 recommendation that you've got one recording

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1 specifically dedicated to the public, one
2 recording specifically dedicated to the closed
3 session so that there's no risk at any time of
4 inadvertently supplying closed session
5 discussions to the public. And the same is
6 true for meeting minutes.

7 CHAIRMAN BOWERS: Just for clarity
8 sake, any last one or two questions anyone has
9 for Ms. Hughes?

10 So, just so we - go ahead, Milton.

11 MR. BAILEY: Yeah, I apologize for
12 stepping out, but I'm going to be doing that
13 periodically.

14 I believe there was a question
15 about staffing support in connection with -

16 CHAIRMAN BOWERS: For taking the
17 minutes specifically, yes. And so, that was
18 a question about is there staff support for
19 taking the minutes and -

20 MR. BAILEY: Yes.

21 MR. KELLY: I'll talk to you, Mr.
22 Chairman, right after this meeting about that.

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1 But, yeah, the commitment is, is that we need
2 to support you in sort of your private
3 deliberations and your public disclosure of
4 those deliberations.

5 So, whatever that means, we'll
6 work with you to make that happen.

7 CHAIRMAN BOWERS: Great.

8 MR. BAILEY: And I can give you - I
9 can offer you some examples if the Director
10 doesn't mind.

11 Clearly, I'm going to be working
12 on the Housing Production Trust Fund. We have
13 the Housing Production Trust Fund manager,
14 Oke, just raise your hand or something to be
15 acknowledged, on a day-to-day needs and
16 supplies and setup and meeting organization.

17 We have Pamela Hillsman in the
18 back. Pamela. So, she's going to be
19 supplying the minutes, the transcription,
20 audio devices, things of that nature.

21 You got Marty who is also on Oke's
22 staff. Marty is going to probably provide a

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1 lot of the administrative support.

2 We have my extension as Victor
3 mentioned earlier, the benefit of tapping into
4 staff in his office for data analytics.

5 We've got Polina. Ketan, are you
6 on the phone?

7 (No response.)

8 MR. BAILEY: Well, Ketan was
9 supposed to be calling in from India. He's on
10 vacation and I understand that he might - he's
11 in Bombay, right? Yeah, I think he's in
12 Bombay. I don't think he was in Calcutta, but
13 there might be a time differential.

14 (Laughter.)

15 MR. BAILEY: And so, I shot him an
16 email. So, this might be like three o'clock
17 in the morning. But knowing Ketan, he's
18 probably being Ketan.

19 Anyway, Ketan does a lot of the
20 analytical drill down. Polina is going to be
21 making the presentation later when it comes to
22 the subsidy piece.

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1 We have Gilles. Gilles from a
2 data management perspective handles - well, is
3 - or is being transferred to the Deputy
4 Mayor's Office from DHCD. His primary
5 responsibility is going to be database
6 management for the clearinghouse piece, but
7 the data that you're going to see discussed
8 today particularly as it relates to housing
9 will feed into that.

10 And when that process is complete,
11 then everybody in this room and the public,
12 and I'm talking about the clearinghouse piece,
13 will be able to access realtime data online.

14 We have in our legal department,
15 Vonda Orders who is going to be helping us
16 addressing any legal matters from the IG's
17 perspective that may crop up whether it's a
18 conflict of interest, points of clarity, et
19 cetera, et cetera, and I'm just giving broad
20 brush.

21 And then Anita Baker who you just
22 heard from - Traci.

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1 (Laughter.)

2 (Discussion off the record.)

3 MR. BAILEY: Who is going to be
4 riding rough shot over all of us to make sure
5 that we are in compliance with the Open
6 Meetings Law.

7 So, I think the bench is deep -
8 oh, and Reyna. I apologize. Reyna is also
9 from DMPED's Office, has been a tremendous
10 help in terms of the housing needs assessment
11 and helping us put it into context scope.

12 She is one of the lead project
13 managers, does development finance in her
14 sleep, as well as Ketan, and is going to be a
15 tremendous asset to us when it comes down to
16 crunching numbers.

17 Have I missed anybody? And then
18 obviously you've got Matt from Bebe's office.
19 And you have Ariana who is going to be one of
20 the key players on the social services side.

21 That's just your core group,
22 support group that's going to be helping the

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1 Housing Production Trust Fund do its thing.

2 Then, you have Harriet who we're
3 going to hear from in a few minutes and her
4 staff, that also feed into the pipeline as
5 well as letting us know, keeping us abreast of
6 what's going on through the PUD process and
7 planning process.

8 CHAIRMAN BOWERS: So, we've got
9 support.

10 MR. BAILEY: So, you've got
11 support.

12 (Laughter.)

13 CHAIRMAN BOWERS: We've got
14 support. That's great and I appreciate that,
15 Milton.

16 So, Ms. Hughes, thank you very
17 much. One just last question for clarity.
18 So, this meeting, I see some recorders, are
19 these meetings being audio recorded?

20 So, they're being audio recorded
21 just so members of the Board and the public
22 know. Audio recorded.

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1 And we have a gentleman who it
2 looks like he's taking transcribed notes; is
3 that right? So, just so that everyone knows
4 kind of what's going on. So, Ms. Hughes,
5 thank you very much. Appreciate it.

6 MS. HUGHES: And I'm always
7 available for formal or informal advice as
8 needed. So, feel free to contact me.

9 CHAIRMAN BOWERS: Great. Thank you
10 so much.

11 MR. BAILEY: And I forgot and
12 obviously Bea Fields from a legislative
13 perspective.

14 CHAIRMAN BOWERS: Absolutely.
15 Thank you. So, we will now move into, and
16 we've actually already started to talk about
17 this, the review of the role of the Board and
18 the Government support for the Board. Milton
19 started to talk and I'm going to go back to he
20 and Ms. Orders.

21 Let me actually just start off
22 here, if I can. In the packets that everyone

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1 received, you will see a summary of the
2 provisions, something that's called Summary of
3 Major HPTF Legislative Provisions. And there
4 is a summary of the Housing Production Trust
5 Fund Board.

6 Does everyone see that Summary of
7 Major HPTF Legislative Provisions? In terms
8 of the role of the Board, wanted to say a
9 couple things briefly here and then I'll turn
10 it to Vonda and then let Milton pick up where
11 he just started already on this issue.

12 So, one, just so we can
13 refamiliarize ourselves again with the
14 function of the Board as it is laid out here
15 in Number 7, advise the Mayor on development,
16 financing, operation of the Fund and other
17 matters related to the production of housing
18 for low income, very low income and extremely
19 low income households. The Board may review
20 the uses of the Fund for their conformity with
21 the purposes of the Act and the Board shall
22 have reasonable access to records related to

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1 the Fund to perform this review.

2 We also heard from Deputy Mayor
3 Hoskins this morning as it relates to the
4 Housing Task Force piece and how much or
5 little we are being actually asked to do as it
6 relates to that. So, I wanted to have that
7 clarity.

8 Another thing I wanted to make
9 sure that I pointed out in terms of the role
10 of the Board as it relates to the role of the
11 Fund specifically, when you see here in
12 Section 5, the establishment of the Fund in
13 terms of what the Fund itself legally is
14 supposed to be doing, you see where it talks
15 about on Number 5 on Page 1 what the funds can
16 be used for.

17 And then if you go over in terms
18 of spending on Page 2, the top of Page 2, that
19 bullet where it says that 40 percent of the
20 funds disbursed during a fiscal year shall be
21 used to create housing for very low income
22 households, very low income being 30 to 50, 40

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1 percent shall be used to create housing for
2 extremely low income households, that's under
3 30 percent of Area Median Income.

4 So, as it relates specifically to
5 - and 50 percent, Number 3, shall be used to
6 create rental housing.

7 And, Bea, is that a 50 percent -
8 at least 50 or only - does it have to be 50,
9 or can it be at least 50? Do you know what
10 the legislative language is on that?

11 MS. FIELDS: I'd have to look at
12 the statute.

13 CHAIRMAN BOWERS: So, we'll look at
14 that. But I wanted to make sure that as an
15 orientation standpoint, reorientation for us
16 as members of the Board, as well as for
17 members of the public who may be here, in
18 terms of what the Trust Fund monies by law are
19 supposed to be used or how they're supposed to
20 be used.

21 And I'm not a lawyer and I don't
22 play one on TV, but I recall that there is a

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1 difference between the language "may" and
2 "shall." And I believe that "shall" has some
3 more legal force than "may."

4 So, in terms of what the monies
5 that we have been charged to advise about are
6 supposed to be used for, I wanted to make sure
7 we have that as a point of grounding as we
8 move forward.

9 The last thing I'll say and then
10 turn it over to Vonda and Milton in terms of
11 the role of the Board, I want to thank you all
12 again for being willing to serve. I am
13 looking forward to serving with all of you
14 all.

15 There are two things that I wanted
16 to make clear that I am hoping and planning
17 for us to do. One is to be as helpful and
18 impactful in our suggestions with the city
19 government.

20 The mayor has appointed us asking
21 for our - the benefit of our experiences, our
22 wisdom as it is to help them out. So, I want

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1 to make sure that our role as a board is to be
2 as impactful and helpful and meaningful in our
3 advice to the entire city government kind of
4 writ large that we are tasked to give advice
5 to. That's number one.

6 And number two, to make sure that
7 we do not waste our time. That we make best
8 use of time.

9 So, my pledge to all as the
10 chairman is to ensure that we are not going
11 through motions, that we are not going through
12 window dressing exercises. That we put in
13 work and time that is meaningful.

14 So, I am going to be - I know for
15 myself and everyone who is a member of this
16 board, we all have a lot going on. So, I want
17 to make sure that we are doing meaningful work
18 and doing it in as efficient a manner as
19 possible so we can make best use of everyone's
20 time.

21 So, with that being said, Vonda,
22 I'll turn it over to you if there are some

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1 words you wanted to say here about the role of
2 the Board or government support. And then,
3 Milton, you can pick up where maybe you just
4 left off.

5 And then after that, we'll turn it
6 over to Sue and Bob to go through a quick
7 overview of the recommendations.

8 Ms. Orders.

9 MS. ORDER: Thank you. Good
10 morning. My name is Vonda Orders and I'm the
11 general counsel for the Department of Housing
12 and Community Development.

13 I thank you for the opportunity to
14 speak to you this morning and also
15 congratulations on your appointment.

16 This morning I want to speak to
17 you briefly about the role of the Housing
18 Production Trust Fund Board as it's defined in
19 the D.C. Code.

20 As Mr. Bowers already discussed,
21 in your handout there is a summary of major
22 Housing Production Trust Fund legislative

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1 provisions, but I'm going to be talking a
2 little bit more about what the statutes and
3 the regulations say specifically about the
4 manner in which and sort of the different
5 things that the Housing Production Trust Fund
6 Advisory Board can advise the director of DHCD
7 on.

8 As has already been stated in the
9 Code, it specifically says the Housing
10 Production Trust Fund Board shall advise the
11 mayor on the development, financing and
12 operation of the Fund and other matters
13 related to the production of housing for low
14 income, very low income, and extremely low
15 income households.

16 This provision gives the Board
17 broad authority and mandate to not just sit by
18 as the mayor with respect to the Housing
19 Production Trust Fund, but to also give advice
20 generally on the production of housing for
21 persons in households from 80 percent of the
22 area median income all the way down to persons

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1 in households with the lowest incomes in the
2 District, or no income.

3 And I think that dovetails nicely
4 with what Deputy Major Hoskins and also from
5 the other deputy mayor's office were talking
6 about in terms of serving populations in the
7 District at that 30 percent of area median
8 income or below.

9 In addition, it states that the
10 Board may review the uses of the Fund for
11 their conformity with the purposes of the
12 Housing Production Trust Fund statute. And
13 the Board shall have reasonable access to
14 records related to the funds to perform this
15 review.

16 And I think Milton has already
17 identified people in this room that can offer
18 or will offer the Board assistance.

19 Under the Housing Production Trust
20 Fund regulations, the Department of Housing
21 and Community Development has the
22 responsibility and authority for

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1 administration of the Fund. And DHCD is
2 authorized to pay reasonable costs of fund
3 administration not to exceed in any fiscal
4 year five percent of the funds deposited.

5 MS. NEWSOME: It's ten percent.

6 MS. ORDERS: Oh, ten. Sorry.
7 Under the regulations, the Housing Production
8 Trust Fund can advise the director of DHCD on
9 the following: Identifying and developing
10 sources of private and public capital for the
11 Housing Production Trust Fund and its projects
12 to ensure the growth and continuation of the
13 Fund, advocating for the participation in the
14 Fund and its activities by private for-profit
15 and nonprofit entities to increase the
16 production of affordable housing and related
17 facilities, developing strategies to leverage
18 capital for profit and nonprofit community
19 development corporations, public development
20 corporations and similar entities, and to also
21 identify other resources available for the
22 production of affordable housing, monitoring,

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1 reviewing and analyzing fund programs and
2 operations, providing guidance on the most
3 effective private and public market practices
4 for management of the Fund.

5 In addition, encouraging and
6 assisting housing developers, particularly
7 nonprofit housing developers, to effectively
8 and efficiently access the Fund, including
9 encouraging housing developers to use the Fund
10 in conjunction with private sector real estate
11 opportunities to secure debt and equity
12 capital to provide affordable housing.

13 And we'll also advise on the
14 allocation of the fund's retaining what is in
15 the regulations referred to as the housing
16 production component, which is when funds are
17 used to provide housing production loans and
18 grants and equity capital investments versus
19 special financial products component, which
20 are when funds are used for bridge loans and
21 gap financing to reduce the up-front costs and
22 costs of residential development, as well as

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1 for onsite child development facilities.

2 As I stated before, I just wanted
3 to give you a brief overview of the laws and
4 regulations that define the role of the Board.

5 In addition in your handout, there
6 is a summary of the major Housing Production
7 Trust Fund legislative provisions and I think
8 we've already had a chance to go through that.

9 So, I hope that this review has
10 been helpful and the General Counsel's Office
11 looks forward to assisting you.

12 CHAIRMAN BOWERS: Thank you,
13 counsel. I appreciate it. Bea, we wanted to
14 just state on the record so it was heard, that
15 the administrative cap is now ten percent.

16 And then also the question I asked
17 earlier about rental, the language says at
18 least 50 percent for rental. So, I wanted to
19 put that on the record.

20 Bea, and then Stan.

21 MS. FIELDS: We also want to
22 indicate that when this was produced in May,

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1 there were some changes made by the counsel.
2 And so, the monies allocated for New
3 Communities, that will change starting in
4 fiscal year 2014.

5 CHAIRMAN BOWERS: Thank you, Bea.
6 Stan.

7 MR. JACKSON: No, she - I also was
8 going to talk about New Communities.

9 CHAIRMAN BOWERS: Great. Thank
10 you. Okay, we're going to make - thank you
11 very much, counsel.

12 We're going to make a little
13 adjustment here. Milton has already again
14 kind of laid some groundwork about the support
15 that will be provided and we'll come back.

16 Director Tregoning is here and
17 she's got some time pressures as well. So,
18 the portion of the agenda where she would
19 present, we'll let her do now.

20 So, we're going to ask Harriet if
21 she'll take - we've got about 10 minutes a
22 block for each of the folks. So, we'll have

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1 about 10 minutes for Harriet to present and us
2 to ask some questions of her. And then,
3 Milton, we'll come back.

4 MS. TREGONING: Sounds great.
5 Thank you.

6 (Discussion off the record.)

7 MS. TREGONING: As soon as we have
8 the presentation teed up, we'll go ahead and
9 get started.

10 CHAIRMAN BOWERS: Okay.

11 MS. TREGONING: It's really a
12 pleasure to be here. I am - it was my honor
13 to work with many of you in the
14 recommendations phase of the housing strategy
15 and I am very grateful for your continued
16 commitment to help us get to the exciting
17 implementation phase of this.

18 So, this is a presentation that -
19 it's a short version of our presentation that
20 is intended to set a little bit of the
21 context.

22 Some of you are familiar with this

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1 information either because you've seen it
2 before or because it was part of the topics,
3 part of what we discussed as we formulated the
4 strategy, but there have been a few updates.
5 And so, I do want to share some of this with
6 you.

7 I also want to acknowledge that
8 Art Rodgers of my office is basically, you
9 know, I'm mostly - my lips are moving, but
10 this is his - this is his - this is his work
11 product. So, he does a wonderful job for the
12 City.

13 So, let's go ahead and get
14 started. First and foremost, what is the
15 scope of the District's affordable housing
16 problem?

17 As you know, the Bridges to
18 Opportunity Report identified that 42 percent
19 or 110,000 of the City's households are
20 burdened by housing costs with more than half
21 of them paying more than 50 percent of their
22 income on housing.

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1 Now, some of these households are
2 homeowners who are paying a mortgage and
3 building equity. Some are full-time students.
4 Some are seniors who may be on fixed incomes,
5 but who might have considerable assets.

6 But if we just focus on renting
7 households where at least one member is
8 working at a full-time job, we still estimate
9 that over 37,000 households are burdened by
10 housing costs and most of those are severely
11 burdened. So, it's a big, big task ahead of
12 us.

13 I'm going to just say one thing
14 about this. We talked a little bit about it
15 before. We continue to be a place in the
16 region that has invested a lot in
17 transportation. And as you know, the second
18 largest cost for households is transportation.

19 At this point, more than 82
20 percent of our households have one or fewer
21 cars. It's about split half and half between
22 no-car households and one-car households. And

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1 that car-light means low transportation costs.

2 So, it doesn't mitigate against
3 the housing burden entirely, but it does give
4 our households some additional resiliency.

5 And I continue to press, and we'll
6 talk a little bit about streetcar coming up,
7 about that being prime location for additional
8 affordable housing. Places permanently -
9 permanent affordable housing located at
10 transit because of the access to opportunity
11 and the impact it has on lowering other costs
12 of living in the City.

13 Let's go to preserving affordable
14 housing. We need to consider the resources it
15 will require to preserve the units we
16 currently have, but could lose by 2020.

17 There are at least 72 properties
18 where controls will expire by 2020 totaling
19 the potential loss of 8300 units.

20 We don't think that we're actually
21 going to lose all 8300, but we do have 42
22 properties representing 3800 units that are in

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1 high-cost, rapidly changing areas and that
2 they're at much greater risk of going to
3 market than the others.

4 And once they're allowed to go to
5 market, it's going to be prohibitively
6 expensive for us to replace those units in
7 those locations.

8 So, that, you know, if we're
9 talking about doing some targeting, we've
10 identified some of those - the 42 properties
11 in particular that we want to look at.

12 Now, these numbers don't include
13 properties where some of the layered subsidies
14 are expiring in 2020 while others remain, and
15 how the impact of the percentages of units
16 that are affordable - and how that impacts the
17 percentages of units that are affordable under
18 what income. So, it's kind of a broad view.

19 So, what are the trends that are
20 affecting some of the housing costs in the
21 District of Columbia?

22 Since April of 2009 we've added

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1 37,500 jobs in the District of Columbia. 62
2 percent of which have been in education and
3 health services or combinations in food
4 services.

5 At the same time, the federal
6 employment as a percentage of all jobs peaked
7 at 30 percent and has dropped down below the
8 ten-year average of 28.5 down to 28 percent.

9 So, on the one hand while
10 restaurant and hospitality jobs signaled
11 growing numbers of vibrant streets and the
12 income density to support them in more and
13 more neighborhoods, the jobs and the lower
14 wages that they typically pay mean that that
15 continues to add to our affordable housing
16 burden.

17 Along with the job growth, the
18 number of employed residents in the District
19 increased by even more adding 38,200 while the
20 number of employed residents remained
21 basically constant.

22 So, what that means is that a lot

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1 of people that are moving to the District are
2 actually getting jobs, a lot of the jobs that
3 are being created in the City.

4 We continue to have a persistent
5 core of unemployed residents, but our rate
6 keeps dropping because the, you know, the
7 numerator, I'm sorry, the denominator ends up
8 being bigger because we have more employed
9 residents and more residents in general.

10 This increase in labor force
11 mirrors the population growth estimates made
12 by the Census. We are eager, desperate to get
13 the Census information, you know. By the time
14 it comes, it seems like it's been too long,
15 but we've been starting to track the - our
16 labor force, employed and unemployed, as a
17 proxy for population and it's been tracking
18 fairly closely.

19 So, in July of 2012 our estimate
20 was 632,323. We won't know the '13 number
21 until December of this year. But using that
22 labor force as a proxy, we've grown by 10,200

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1 jobs since July of 2012.

2 When you add in the net natural
3 increase of births over deaths, we think we
4 could grow by another 14,500 when we look at
5 2013. So, that's very much on par with the
6 growth that we've been having and it looks
7 like it's going to be steady on.

8 So, let's talk about changes in
9 household income. This is a shocking number
10 to me.

11 The chart shows that the
12 District's distribution of households by HUD's
13 median family income for the region between
14 2008 and 2010 compared to 2000, the District
15 lost households below 50 percent of median
16 family income both in percentage and absolute
17 terms.

18 We gained middle income households
19 between 80 and 150 percent. And while we
20 didn't see any increase in households above
21 150 percent, a greater percentage of them were
22 of two or more people than in 2000.

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1 In essence, our distribution of
2 households is starting to look more like the
3 region. And, in fact, in the last year our
4 median family income went up by 15 percent in
5 the District of Columbia.

6 15 percent. So, to 82,400. And
7 during the same time period, the regional
8 median income declined by \$200.

9 So, the people that are moving
10 here are really changing what people seeking
11 housing look like and are really going to need
12 putting more pressure, more demand on housing.

13 Okay. Let's look at how this is
14 affecting the geography of the City. The
15 shift is happening in the obvious
16 neighborhoods we're all familiar with.

17 The map divides the City into
18 quartiles of median income by Census tract so
19 that the map showed the changes between 2000
20 and 2006 to 2010 - that's how we get the
21 numbers from the Census - as the median income
22 of neighborhoods shift from the first

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1 quartile, that's the bottom 25 percent, up to
2 the second quartile, 25 percent to the City's
3 median and higher.

4 In central Washington from
5 downtown up to Georgia Avenue and Petworth, we
6 can see median income of several neighborhoods
7 rise out of the bottom quartile and into the
8 second or third quartile. The same is true of
9 Capitol Hill as neighborhoods shift from the
10 third quartile into the top quartile.

11 Conversely in Ward 7, we've seen
12 neighborhoods fall from the second quartile to
13 the bottom quartile.

14 When combined with shifts and
15 raise the maps strongly suggest that this is
16 not due to people improving their incomes, but
17 higher-income households moving in and lower-
18 income households moving to parts of the City
19 where housing is more affordable.

20 So, this is not the income that we
21 want - I'm sorry, the income. This is not the
22 outcome that we want, you know. We want

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1 people whatever their income to be able to
2 live in any part of the City and we don't want
3 to be concentrating properties.

4 So, that means when we think about
5 priorities and where we spend our money, you
6 know, we need to be thinking about how we can
7 counteract the trends that are present with
8 the market forces in our city.

9 We're forecasting households in
10 population and I am forecasting that our
11 growth rate is going to go up. And this is
12 actually - this is unusual.

13 The things that we're forecasting
14 are unusual and they have a lot to do with
15 some of the policy decisions that the City has
16 made.

17 In particular, we are seeing an
18 incredible impact from universal pre-
19 kindergarten for three and four-year-olds. It
20 ends up being like a \$20,000 per child subsidy
21 to households. It's essentially free all-day
22 day care.

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1 That's not why the mayor did it.
2 He did it because he wanted to give kids an
3 early start with their education, but the
4 effect is an incredible increase in family
5 formation and retaining families in the City.

6 Another effect is that it's
7 economically integrating a lot of formerly
8 poor schools and we're getting better outcomes
9 in terms of education for all the students who
10 are in those schools.

11 So, it's a pretty amazing policy
12 innovation and we're going to continue follow
13 it. But for our purposes, it also means that
14 household size is going up.

15 We're one of the few places in the
16 country where that's the case. We're one of
17 the few places in the - one of the few states
18 that is actually growing younger our average
19 age. Both who we're attracting and all of
20 these births is changing our demographics.

21 So, what you're seeing on this
22 chart is the difference between a household

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1 size of 2.0, essentially, and a household size
2 of 2.3 and what that means for our population
3 growth and our forecast.

4 So, we now show that our
5 population is going to grow to 661,000 by
6 2015. And by 716,000 by 2020.

7 These things do show a certain
8 flattening out of our growth relative to what
9 we're currently seeing. And we're assuming
10 that as other places in the country's
11 economies improve, that we won't be quite as
12 attractive as we've been. Although, we still
13 expect very steady population growth.

14 Yes.

15 MS. NEWSOME: You were saying in
16 terms of the universal pre-K because you can
17 now put your child into regular school at age
18 --

19 MS. TREGONING: Three.

20 MS. NEWSOME: - three, you're
21 seeing more higher income or middle income or
22 moderate income families beginning to send

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1 their children to the school -

2 MS. TREGONING: Yes.

3 MS. NEWSOME: - because it's
4 public education.

5 MS. TREGONING: Right. The bar for
6 a three-year-old is clean, safe and convenient
7 pretty much. So, yes.

8 MS. NEWSOME: So, we are seeing
9 sort of a population increase in that pre-K,
10 but we're also seeing a diversity of incomes
11 of the families of the children who are coming
12 into pre-K.

13 MS. TREGONING: Yes.

14 MS. NEWSOME: All right.

15 MS. TREGONING: Now, we can have a
16 lot of conversation about what's happening and
17 maybe at some point have someone from DCPS
18 come in and talk a little bit more about it,
19 but it's overwhelming how many kids are going
20 into pre-kindergarten and how much that is
21 increasing the public and the public charter
22 school population in what hockey stick

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1 enrollment increases we're projecting based on
2 the family formation, the births, the
3 retention of these households and the impact
4 of universal pre-kindergarten.

5 So, you know, it means we're going
6 to have more families in the City. A lot more
7 families in the City and bigger households,
8 but pressure on different types of housing
9 stock than we were anticipating, perhaps,
10 right? So, that's another part of it.

11 Okay. Household income. Looking
12 forward at the household incomes that are
13 going to be created by new types of jobs, we
14 can estimate and break down the range of
15 incomes that will be attractive to live in
16 D.C.

17 The chart shows that based on
18 industries and occupations expected to grow,
19 we're going to continue to attract knowledge
20 economy workers and higher income households
21 in a distribution that looks very much like
22 the region.

1 But even so, more than 10,000 of
2 these potential new households are going to be
3 having difficulty finding affordable housing
4 because their wages are going to be - their
5 incomes are going to be 30 to 80 percent of
6 the median - area median. That's why it's
7 important to stress that we're calling this
8 potential household demand.

9 Those households holding these new
10 jobs and earning less than 80 percent of the
11 AMI may increasingly not be able to find
12 housing in the District that they can afford.

13 So, I'm going to say just a couple
14 things about the impact on residential
15 development. I mean, you can see from this
16 chart what a crazy couple of years 2011 and
17 2012 have been.

18 The District has demonstrated it's
19 one of the strongest markets in the country.
20 In 2011, we were 27 percent of the region's
21 total new housing development. We're about 11
22 percent of the region's population. So, we

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1 were more than twice as much - twice our share
2 of the development.

3 Our previous high percentage ever
4 was nine percent, right? So, we've been
5 steadily losing market share to the rest of
6 the region, but that has really begun to
7 reverse.

8 Many of the projects in 2011 were
9 large public-private partnerships like City
10 Center and O Street Market. In 2012,
11 development continued, but much more of it was
12 private sector driven like Park Chelsea, Louis
13 at 14th and the Washington Gateway.

14 Now, in '13, new construction has
15 slowed for a lot of different reasons and
16 including talking to some of the folks from
17 the capital markets, just utter horror at the
18 size of that 2011 and 2012 spike and just the
19 incredulity that we could absorb all of that -
20 all those units that are being produced.

21 So, you know, in the very short
22 term we think we're going to have a brief glut

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1 of units, and then we're going to have a
2 desert, because the pipeline has shrunk
3 dramatically, but people are still coming
4 here.

5 So, you know, if you can sign a
6 five-year lease, I'd say sign it, you know,
7 because prices are going to start to rise
8 again pretty quickly.

9 So, we're tracking in addition -
10 so, one more thing about this. In '13, our
11 units are only six percent of the region's new
12 units, but they're 40 percent of the
13 multifamily that's being produced, you know.

14 So, still for a particular kind of
15 market, we are, you know, if you're looking
16 for multifamily housing, you're much more
17 likely to be finding it in the District than
18 in other places. And we continue, you know,
19 that's going to, we think, continue to be the
20 case.

21 We are tracking 260 projects with
22 30,000 units of development that are in the

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1 pre-development phase and reported to break
2 ground later in 2013.

3 More and more of these projects
4 are market rate with affordable units through
5 IZ or subsidized projects that are able to
6 build more units because of IZ' bonus density.
7 So, you know, we had a bit of a lull, a lot of
8 projects in title, but not built because of
9 the recession, but now almost everything else
10 we're going to be seeing is going to have
11 those IZ units.

12 So, we're going to start to see
13 very hefty IZ production, which will be great
14 because it will be in those locations where we
15 would otherwise not be getting affordability.

16 CHAIRMAN BOWERS: Harriet, could
17 you -

18 MS. TREGONING: Yeah, I'm sorry.
19 I'll do this really fast. In investment
20 strategy - that concludes the demographic
21 information.

22 The next couple slides just talk

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1 about a couple of priorities and opportunities
2 that an affordable housing investment strategy
3 might include. And I might just sit on this
4 slide and not do anymore. So, this kind of
5 summarizes it.

6 Streetcar, huge opportunity. I'll
7 say it over and over again. We have drunk the
8 Kool-Aid on transportation infrastructure, how
9 important it is to the City. What we have to
10 do now is get that affordable housing on those
11 streetcar lines.

12 Our neighborhoods are
13 diversifying, and that means really trying to
14 look for opportunities for affordable housing
15 in places that we don't otherwise have it.

16 Our goal for an inclusive city
17 means, again, any - whatever your income, you
18 shouldn't be shunted to a single part of the
19 City. You should be able to live anywhere and
20 enjoy those opportunities.

21 Preserving affordability is our
22 cheapest way to have affordable units and we

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1 have some opportunities to leverage with the
2 Historic Preservation Tax Credit, which we've
3 begun to do in a couple of projects.

4 And I guess longer term the only
5 thing I would say is - can we just jump to the
6 one slide? District opportunity to purchase.
7 It's at the very end.

8 This was a strategy that came up
9 in our discussions, you know, when we were
10 coming up with Bridges to Opportunity. And
11 this continues to be of great interest to me
12 and to the folks on our staff personally that
13 we have a lot of aging apartment buildings and
14 in great parts of the City that are due for
15 upgrades, you know.

16 Our ability to potentially take
17 that option to purchase, which we rarely
18 exercise, and permanently coveting, you know,
19 some percentage, 20 to 30 percent to target
20 incomes and letting the rest go to market
21 might be a really interesting opportunity to
22 create lots and lots of affordability in

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1 places where there is very little of it.

2 So, anyway.

3 CHAIRMAN BOWERS: That's good.

4 MS. TREGONING: Thank you.

5 CHAIRMAN BOWERS: Thanks, Harriet.

6 Let's take a couple questions for Harriet that
7 any board members may have. Any other
8 questions folks have for Harriet on her
9 presentation? A lot of good data.

10 MS. NEWSOME: Will we be able to
11 get a copy of -

12 CHAIRMAN BOWERS: Yes.

13 MS. TREGONING: Yes, absolutely.

14 CHAIRMAN BOWERS: We'll get a copy
15 of the slide presentation. Thank you. Other
16 questions anyone has for -

17 MR. JACKSON: Just a quick one,
18 Harriet, in terms of your analysis in looking
19 at sort of the deconcentration of where there
20 is substantial affordable housing in markets
21 that are emerging where you're trying to
22 attract retail and other opportunities.

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1 What are you seeing as some of the
2 challenges for diversifying?

3 MS. TREGONING: So, you know, we
4 have a lot of - we have many parts of the City
5 where we have an enormous concentration of
6 affordable housing and where a lot of the
7 population is in rental housing.

8 MR. JACKSON: Right.

9 MS. TREGONING: And so, on the one
10 hand, those are areas that are more vulnerable
11 than other areas to rising price pressure, but
12 the - I think most people would say it's
13 desirable to have mixed income neighborhoods
14 throughout the City so more market rates,
15 opportunities in those neighborhoods are also
16 important to have.

17 So, when it comes to Ward 8 in
18 particular, we're seeing, you know, new
19 employment prospects that are fairly
20 significant.

21 We've got new, you know, private
22 sector development at Congress Heights that's

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1 looking to one to happen.

2 I think that, you know, those are
3 areas where it would make sense for this group
4 to take a particular look to consider the
5 vulnerability of the households and how much
6 of that is subsidized versus market rate
7 affordability. And what we would project with
8 growth rates and employment changes, what
9 might happen to the demographics in those
10 neighborhoods.

11 We already have seen a fair amount
12 of speculation, meaning a lot of properties
13 have been changing hands in Ward 8. And, you
14 know, that, you know, hasn't been as crazy as
15 it was before 2008, but, you know, there are
16 people buying property, you know, every day
17 there now with the notion that values are
18 going to rise and that these neighborhoods are
19 going to, you know, attract new construction
20 and new residents.

21 CHAIRMAN BOWERS: Jim, go ahead.

22 MR. KNIGHT: I'll just jump in.

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1 I'm not sure I can fully form this question,
2 but I'm wondering what you would say to us
3 about the degree to which the needs of long-
4 time residents of the District who need
5 affordable housing, how aligned those needs
6 are with the needs of these new residents who
7 are going to need affordable housing.

8 Is it the same product types and
9 the same strategies, in your view, to meeting
10 the needs of both groups, or do they need to
11 be different strategies, more nuance to
12 strategies?

13 MS. TREGONING: You know, that's a
14 really good question and I don't know that I
15 entirely have the answer.

16 I think that most of the people
17 that are moving to the District now, even
18 people of fairly modest means, are employed.
19 They have some sort of employment.

20 They might be baristas, you know,
21 but they have some sort of employment and
22 they, you know, their need for affordable

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1 housing may not be a lifelong need. It might
2 be a momentary need.

3 I think for our long-time
4 residents, you know, that's a totally
5 different matter and that we, you know, we
6 continue to be generous in the District with
7 respect to our benefits including, you know,
8 what, you know, we provide 42 percent of the
9 region's subsidized housing, right? Again, 11
10 percent of the population, 42 percent of the
11 subsidized units.

12 I mean, we attract people as well
13 who come here for our benefits. So, you know,
14 that's - it's a great question to think about.

15 My priority is to serve the people
16 who are here in terms of affordability and our
17 long-term residents make it possible to come
18 here, but I think that part of how we're
19 handling low-income, new residents is
20 different product types, different housing
21 types that might be much less expensive,
22 because they're much smaller.

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1 A lot of the folks who are moving
2 here are, you know, single-person households,
3 right, initially. They might change to - and
4 form families and form new households, but a
5 lot of them are single-person households.

6 And so, one of the ways to handle
7 that is to have smaller units. And we have
8 probably a half a dozen projects coming online
9 right now with variations on the micro-unit as
10 little as 280 square feet, you know. So, our
11 code allows it to go down to 220, but, yeah.

12 CHAIRMAN BOWERS: Okay. And,
13 Harriet, did you say that the income now in
14 the City, median income in the City is 82,400,
15 that's now what the City's median income is?

16 And can you say a word, if you
17 can, about DOPA and the fact that it hasn't
18 been used much? And that will probably be a
19 discussion for other folks as well, but why
20 the City - any sense of why the City hasn't
21 really used DOPA much over the years?

22 MS. TREGONING: Well, one of the

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1 issues is that there is a potential conflict
2 with our rent controls, you know. I mean, I
3 can't explain why it hasn't necessarily been
4 used in the past, but the same notion that
5 there's a tenant opportunity to purchase when
6 a building is sold and might go condo, the
7 District has a right to purchase the buildings
8 as well.

9 It's one of those policies that we
10 just have never really exercised, but might
11 create a real interesting opportunity given
12 funds that we have available and given the
13 kinds of creative financing that are out there
14 that might help us to do this kind of thing.

15 So, I think it would be a policy
16 innovation that might be particularly
17 effective for our city at this time with the
18 way that we're growing.

19 CHAIRMAN BOWERS: Right. I'll let
20 Craig get the last question and then we'll
21 move on.

22 Craig.

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1 MR. PASCAL: Yeah, I mentioned
2 about DOPA, but I think I already said that I
3 sit on the Montgomery County Loan Committee.
4 We did a DOPA yesterday and just for 18 units
5 it's going to be \$5 million tied up in
6 capital. So, it's recapitalized.

7 Eventually half of that will go
8 away, but that was just 18 units and \$5
9 million in cash was basically put up. So, it's
10 not cheap.

11 Excellent presentation. Thank you
12 very much. I'm always interested in sort of
13 net revenue people and when they become less
14 net revenue.

15 So, does your office - it's great
16 that families are moving in and go to
17 universal pre-K, but that becomes a cost.

18 Does your office analyze when
19 somebody goes from - right now we have people
20 that are surplus revenue. They pay more taxes
21 and use less services.

22 And so, are you projecting out -

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1 right now we have all these excellent budgets
2 where we have exceeding revenues, exceed
3 expenses.

4 Do you project out that there will
5 be a time period where we'll be starting to
6 spend more on our residents than they bring in
7 by tax revenue?

8 MS. TREGONING: We haven't done
9 those projections. And that would be
10 something that the CFO's office would be more
11 likely to do.

12 But what's interesting is that the
13 percentage of households that have school age
14 children, you know, even if we're wildly
15 successful, you know, might arise from 20
16 percent to like 25 percent, okay.

17 So, in 1960 it was 50 percent.
18 So, I just think that because, you know, we're
19 living a lot longer and people are still
20 opting not - a lot of households don't have
21 children or don't have school age children.

22 I think that the - that kind of

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1 fiscal impact is much more muted than it might
2 have been if you could have had, you know, 35
3 percent or 40 percent of households with
4 school aged kids. So, for us, a big number
5 would be moving from 20 percent to 25 percent.

6 MR. PASCAL: Thank you.

7 CHAIRMAN BOWERS: Many thanks,
8 Harriet. We very much appreciate and we'll
9 look forward to getting the presentation so we
10 all can refer to it. Thank you so much.

11 MS. TREGONING: Sure. My pleasure.

12 CHAIRMAN BOWERS: I'm going to ask
13 if Sue and Bob can - we'll move to their
14 presentation on some overview of the task
15 force recommendations. Take about ten minutes
16 to walk through that and have any questions
17 folks may have, and then we'll move on.

18 We've actually obviously been
19 covering some of the agenda that shows later.
20 So, we're going to make sure that we have a
21 good chunk of time at the end of all of this
22 to make sure that we can have a discussion of

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1 board priorities.

2 And while we've got this cued up,
3 why don't we actually take five. We're going
4 to do a five-minute break and we'll come back
5 and then move to Sue and Bob.

6 We'll go to the mayor's objectives
7 presentations we have not heard yet, and then
8 the Trust Fund status. And then we'll, again,
9 the last 35, 40 minutes of our day together
10 we'll really be trying to discuss the
11 priorities that we want to set as a board for
12 housing affairs.

13 So, if we can take five and be
14 back by at least quarter of according to this
15 clock, that would be great. Thank you.

16 (Whereupon, the proceedings went
17 off the record at 11:37 a.m. for a brief
18 recess and went back on the record at 11:45
19 a.m.)

20 CHAIRMAN BOWERS: Okay. Thank you
21 all again. Appreciate it. We'll reconvene
22 the Housing Production Trust Fund Advisory

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1 Board meeting and come back into order, so to
2 speak.

3 Sue Marshall and Bob Pohlman have
4 graciously agreed to give us an overview of
5 some of the key findings and recommendations
6 from the 2013 Housing Task Force.

7 So, Sue and Bob, I'll turn it over
8 to you all. And also, folks, members of the
9 Board, you should have in your packet a
10 handout that's a Xerox of some of the copies
11 and then we'll be looking at it on the screen
12 as well.

13 Bob, we'll actually start with
14 you.

15 MR. POHLMAN: Okay, great. Well,
16 thanks. In February, the Comprehensive
17 Housing Strategy Task Force, as you know,
18 issued its report Bridges to Opportunity. And
19 the slides in front of you just summarize or
20 capture the recommendations that were made.

21 You can read it in your handout,
22 but its vision is that the District of

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1 Columbia is a city that provides housing
2 that's affordable for all who wish to live,
3 work and play here. So, it's a very ambitious
4 vision.

5 And the objective of the report
6 was to create a comprehensive housing strategy
7 that provides action items to increase the
8 supply of affordable housing and decrease the
9 demands or, I would say, the needs for
10 affordable housing.

11 And Sue Marshall will talk about
12 the demand side of the equation, and I am
13 going to talk a little bit about the supply
14 side priorities.

15 Of course the biggest part of the
16 supply side priorities have already been
17 mentioned, three strategic goals.

18 Preserve approximately 8,000
19 existing affordable housing units with
20 subsidies that will expire by the year 2020.
21 As was mentioned, those might not actually be
22 lost, but we want to focus on those.

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1 The second thing was produce and
2 preserve 10,000 net new affordable housing
3 units by the year 2020.

4 And the third was to support the
5 production of 3,000 market rate housing units
6 annually to 2020. So, just a few highlights
7 about the supply side starting on Page 9 of
8 the detailed recommendation.

9 Under Policy, there's an action
10 item which is a major task. It's a study on
11 a number of areas in regulation and policy to
12 determine their impact on affordable housing
13 production preservation.

14 These include TOPA, Tenant
15 Opportunity to Purchase Act, District
16 Opportunity to Purchase Act that's been talked
17 about, Rent Control, affordable home ownership
18 covenant, inclusionary zoning and requirements
19 for affordable housing when there is a
20 disposition of city-owned land.

21 That's a huge task area that the
22 Comprehensive Housing Strategy Task Force

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1 recommend that we study.

2 Under Administration on that page,
3 there are Recommendations 1 and 2 which are
4 really already underway, you might say.

5 The recommendation is the
6 establishment of a Housing Investment Council
7 to implement the Comprehensive Housing
8 Strategy Task Force report and update it every
9 two years.

10 As has been mentioned, the Trust
11 Fund Advisory Board is going to be asked to do
12 some of this. And I think one of the things
13 that needs to be clarified is that how much of
14 it will we be doing, how much will be left to
15 another process.

16 The second thing under
17 Administrative action items is to create a
18 comprehensive housing database and funding for
19 this item has already been included in the
20 FY2014 budget. So, that recommendation is
21 underway.

22 Two other action items skipping to

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1 Page 11 under Financial recommendations of the
2 report are, first, to significantly increase
3 resources devoted to existing housing
4 programs, including the establishment -
5 rather, the stabilization of the Housing
6 Production Trust Fund.

7 We're all aware of the mayor's
8 hundred million dollar commitment that was
9 approved by the Council that jumpstarts this
10 recommendation.

11 As part of that proposal, one of
12 the recommendations of the task force has been
13 addressed and that's to fund the local and
14 supplements program from the general fund, not
15 from the trust fund.

16 So, starting in 2014 going forward
17 there will no longer be a transfer of \$20
18 million out of the Housing Trust Fund to LISP.

19 Another part of the recommendation
20 was to move financing of the New Communities
21 bonds to the District Capital Improvement
22 Program. And I believe that legislation was

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1 included in this last budget before that to do
2 that so that future financing for New
3 Communities bonds will be coming from the
4 general fund and not from the trust fund.

5 Another significant financial
6 recommendation was to study and fund a D.C.
7 low-income housing tax credit program. And
8 so, those are some of the key supply side
9 recommendations.

10 As you can see, there's already a
11 great deal of momentum behind these
12 recommendations and Sue Marshall is going to
13 speak about some of the housing strategy
14 demand side goals.

15 Sue.

16 MS. MARSHALL: Thank you, Bob. The
17 first recommendation which came out of the
18 demand side of the discussion which was
19 spearheaded through a subcommittee on
20 collaboration. And there are a few members of
21 said subcommittee present. That would be
22 Jackie, myself and Oramenta.

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1 So, the first specific
2 recommendation is a policy recommendation that
3 we encourage District-funded housing
4 developments to use good faith efforts to hire
5 eligible and qualified TANF, Food Stamps and
6 LRSP participants that reside in the
7 respective housing development.

8 And this is a proxy for the very
9 low and extremely low-income residents in the
10 City who really need to be targeted to get
11 some of the housing that is being produced.
12 And this is expected to happen in the next 12
13 months.

14 There are two sets of
15 administrative recommendations. One you've
16 already heard about, and that is the
17 development of data sharing solutions to
18 assist the City and nonprofit providers to
19 identify common service goals.

20 And I would note that this is also
21 relevant to private sector development. So,
22 we can broaden this in the discussion. This

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1 is expected, again, to happen in the next 12
2 months.

3 The next set of recommendations
4 apply to both demand and the supply side of
5 the equation and they are administrative in
6 nature.

7 The first is to modify DHCD's
8 Qualified Allocation Plan so that bonus points
9 can be awarded for wraparound services in a
10 development plan and that services be allowed
11 to be an eligible expense in the operating
12 budget.

13 The second is to hold an annual
14 resident services and housing development
15 symposium to encourage further collaboration.

16 On the financial side, and this is
17 where we would bring together both demand and
18 supply side efforts, but specifically all of
19 the recommendations around demand side
20 initiatives is the development of a
21 Collaborative Initiative for System Change to
22 support and coordinate ongoing efforts to

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1 provide integrated wraparound and/or resident
2 services when affordable housing is funded by
3 locally-controlled funding. And this should
4 happen within the next 12 months.

5 And I would underscore the
6 response to Oramenta's question. Should
7 happen by October 1 so that we could maximize
8 our efforts.

9 And the final, and I put this in
10 big, large letters, is to fund a Phase 2 of
11 the Collaborative Initiative for System Change
12 in 12 to 36 months.

13 There are several definitional and
14 other issues that need to be teased out. So,
15 as we talk about how we're going to work
16 together as a group, we need to talk about
17 specifically how these demand side
18 recommendations get integrated into the
19 group's work. Thank you.

20 CHAIRMAN BOWERS: Great. Thank
21 you, Sue and Bob. Questions board members
22 have for Bob or Sue.

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1 (No response.)

2 CHAIRMAN BOWERS: I actually had a
3 question, Michael, Milton, for you all as it
4 relates maybe to one of those specifically,
5 but the QAP inputting services in the
6 operating budget, has the Agency started to
7 look at that, examine that? And if so, any
8 kind of status on that recommendation? I'm
9 just curious.

10 MR. KELLY: Yeah, we've actually
11 sort of jumpstarted it in light of our
12 Memorandum - with our Permanent Supportive
13 Housing Memorandum of Understanding between
14 our sister agencies, we've sort of already
15 jumpstarted, you know, our actual application
16 of that priorities for supportive services to
17 go along with the real estate activities.

18 The QAP is actually more of, you
19 know, it has a PUD sort of timetables along
20 those lines. We've had some public hearings
21 on that.

22 So, the short answer is, yes, we

1 have started that process, but we've actually
2 as it relates to materially, we've already
3 embedded in our existing Notice of Funding
4 Availability and our priorities around that
5 population.

6 CHAIRMAN BOWERS: Great. Thank
7 you.

8 Jim.

9 MR. KNIGHT: Just to follow up and
10 try not to get too deep in the weeds, the
11 current RFP process, we encourage services in
12 affordable housing developments in a number of
13 ways and lots of progress there.

14 Was the specific recommendation
15 that resident services budgets, the staff
16 members who provide the services, that that
17 budget - that those expenses be allowed to be
18 part of the real estate pro forma?

19 MR. SIMMS: I think that's where
20 the difference is. I mean, there isn't a
21 problem with us doing - my voice carries.

22 COURT REPORTER: It's for the

1 recorder.

2 CHAIRMAN BOWERS: For the
3 recording.

4 MR. SIMMS: Sorry. So, the bonus
5 piece around the wraparound services we can do
6 today. I think that's not far-fetched, you
7 know, what she's talking about.

8 Part of the question really
9 becomes - and it's a very slippery slope.
10 Because once you start talking about the
11 inclusion of those funds being used for
12 operating, that's where things become dicey
13 not because - not because it's not good - it's
14 not a good cause. It really just becomes can
15 we do it?

16 Because once we start doing them
17 with tax credits, it's going to become a
18 slippery slope in terms of where our loan
19 funds can go.

20 And as you know, most of our loan
21 funds cannot go towards operating and to
22 really hard-cost construction. DHS, other

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1 agencies that are part of this existing -
2 NOFA, they have the funds for operating
3 services. And I think that's the more proper
4 place for it to go versus the hard cost
5 construction, rehabilitation funds that we
6 have.

7 CHAIRMAN BOWERS: And I think to
8 the point that was made earlier to Oramenta's
9 question earlier about how much is actually
10 going to be available for demand, I do think
11 that those - getting some feedback, you know,
12 the government having conversations across
13 agencies which we know you all are to really
14 kind of strategically lay out how much will be
15 for the demand side services and who is going
16 to - how much and who. And, you know, how
17 much is going to be available and who is going
18 to actually be ponying their money. Which
19 agency and which funding source?

20 Couple last questions for Sue or
21 Bob about specifics of the Task Force report
22 before we move on?

1 MR. GADA: Hi, David. This is
2 Ketan Gada from the Deputy Mayor's Office.

3 CHAIRMAN BOWERS: Ketan, we
4 understand you're right across the street in
5 a little place called India; is that correct?

6 MR. GADA: That is true. That is
7 true.

8 CHAIRMAN BOWERS: Well, thank you.
9 You are very dedicated to call in. Thank you.
10 Yes, go ahead, Ketan.

11 MR. GADA: So, I'm a little late to
12 join the party, but I had a question for both.
13 So, I think there were some good
14 recommendations on the supply side and most of
15 them seem to be - most of them seem geared
16 towards the public sector.

17 Were there any recommendations
18 from the Task Force for the private sector or
19 intermediaries or any other nonprofit
20 coalitions and stuff like that, that I can put
21 my hands on as to the public sector?

22 MR. POHLMAN: Well, yeah, I don't

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1 know. Other members of the Task Force can
2 pipe up here if you recall any.

3 I don't remember specific
4 recommendations made by the Task Force report
5 on lenders and intermediaries, for example,
6 but Oramenta can speak to the fact that we
7 have created an Affordable Housing Leverage
8 Working Group that's designed to do just that.
9 It brings to the table philanthropy lenders,
10 equity investors to work with the City, to
11 work with affordable housing producers, but
12 I'm not sure that there was any recommendation
13 in the Housing Strategy Task Force to that
14 effect.

15 CHAIRMAN BOWERS: All right.

16 MR. GADA: Okay.

17 CHAIRMAN BOWERS: Thank you, Bob.

18 Anybody else?

19 (No response.)

20 CHAIRMAN BOWERS: Okay. I'm going
21 to - looking at - I want to do a time check.
22 So, we've got one hour left in our scheduled

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1 time together.

2 We've got a couple items that we
3 want to cover, continue the review of some of
4 the objectives from the mayor's side, the
5 update on the Housing Production Trust Fund
6 status, and then really the discussion about
7 priorities and how we proceed. I'm lumping
8 kind of Seven and Eight together.

9 So, what I'm going to ask is
10 actually, again, switch it around a little
11 thing.

12 I'm going to ask, Oke, I'm
13 assuming it's you on the status, the update on
14 the Housing Production Trust Fund status. So,
15 I'm going to ask, Oke, if you can take five or
16 ten minutes to kind of walk us through that
17 and take any questions.

18 And then we'll get into the - pick
19 back up with the mayoral objectives and really
20 start to drill down into what our priorities
21 would be as a board.

22 Oke.

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1 MR. ANYAEGBUNAM: Yes. Well, as of
2 June 30th we have uncommitted about 21 million
3 in the Trust Fund. And we are talking about
4 since then we have -

5 MR. POHLMAN: Oke, could you move
6 closer to the phone?

7 CHAIRMAN BOWERS: Oke, can you hold
8 the mic just a little closer to your mouth?
9 And also, I'm sorry, before Oke proceeds, also
10 there are a couple of - well, there is an
11 insert in everyone's packet on the Board that
12 is some answers to some trust fund questions,
13 the status. So, some of this information is
14 going to be on that document as well.

15 Go ahead, Oke.

16 MR. ANYAEGBUNAM: Yes. And this 21
17 million since June there have been some
18 projects that have been obligated and some
19 other costs that have been spent through
20 technically as of today, it's probably much
21 less, maybe about 16 million.

22 And most of these we have some

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1 projects, at least about two or three, between
2 now and next week that will be obligated.

3 We estimating that in the final,
4 by September 1 we should probably as an
5 estimate have about 64,000 left. And this is
6 based on the 2013 project of 68.6 million.
7 That's 2013 budget. So, that's where we are.
8 That is the state of the HPTF today.

9 But you have to also again, when
10 we are talking once a project is obligated,
11 all the money is taken off the project. It's
12 not - this is not cash expenditure.

13 MS. NEWSOME: Can you define
14 "obligated"?

15 MR. ANYAEGBUNAM: Well, that's
16 actually what we normally call closing when
17 there is an agreement. When agreement is
18 signed. And then that's when it's obligated.

19 CHAIRMAN BOWERS: So, going -
20 blending in kind of this conversation about
21 status to Oke and Michael and Milton, walk us
22 through - and, again, there are a couple of

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1 handouts, I know, in our packet. Thank you
2 all for preparing this, the Housing Production
3 Trust Fund status questions and then the
4 multicolored sheet, the allocation to help the
5 Board members kind of get a sense of what's
6 available now and what will be available from
7 whatever all the different sources are that
8 will come into the Trust Fund.

9 What's available now to go into
10 projects in the current RFP, and what would be
11 available for the next RFP, whenever that is,
12 out of the Trust Fund?

13 MR. BAILEY: You want to handle the
14 part - there is a bifurcation that we've got
15 to make, to begin with.

16 The first part - the bifurcation
17 is this: On one side, you have the mayor's
18 investment of a hundred million dollars in the
19 Trust Fund less some other items that came out
20 of that, that I can get into.

21 On the other side, you have what
22 historic usage in the Housing Trust Fund has

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1 been and what's coming into the Housing Trust
2 Fund through normal flow associated with
3 housing and recordation taxes.

4 I will take that portion of this
5 conversation that deals with the mayor's
6 hundred million dollars, but I want to give
7 Oke, who is the Housing Production Trust Fund
8 manager, an opportunity to run you through
9 what - the historic usage, what's coming in
10 absent the mayor's investment.

11 All right, Oke. Are you ready?

12 MR. ANYAEGBUNAM: Yeah, without -
13 in terms of revenue coming in, it's projected
14 in the Housing Production Trust Fund through
15 recordation taxes and we expect that in 2012 -
16 the actual was 42.7 million. That is the
17 actual. 2013, it's projected that 44.9
18 million coming.

19 And so, June 30th we have 35.5
20 million that came into the Fund through the
21 taxes.

22 If you extrapolate that, we may

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1 get up to 47, but that's just an extrapolation
2 and it's not a straight - there is no straight
3 line to the recordation taxes. And in 2014,
4 we are projecting 46.6 million. And then
5 2015, about 51 million.

6 It looks like the housing
7 transactions in D.C. is improving from what we
8 saw in previous years, but this is only an
9 estimate. And this estimate was based on -
10 was done in June 24. So, this is where we are
11 now.

12 MR. KELLY: And, actually -

13 CHAIRMAN BOWERS: Yes.

14 MR. KELLY: And also specifically
15 to the question of how much is available in
16 the current Notice of Funding Availability, we
17 advertise 20 million dollars of the Housing
18 Production Trust Fund to be made available in
19 our review of the proposals that are currently
20 in play.

21 The delta covers things like our
22 responsibilities around TOPA and our

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1 responsibilities around other kinds of Housing
2 Production Trust Fund uses that we've
3 traditionally been doing. So, it's not - so,
4 we don't do a full allocation of every penny
5 we have on that, but we advertise 20 million
6 dollars and that's been kind of our historical
7 allocation.

8 CHAIRMAN BOWERS: Okay. Jim.

9 MR. KNIGHT: I'm not sure if this
10 is the right time for this question, but
11 during the budget season we certainly have
12 discussions with various aspects of the
13 Government on how - if the hundred million
14 came, how soon it would be available and would
15 any of it be available in the current DHCD RFP
16 process. And it looks like what we're seeing
17 today, the answer is no.

18 And I'm just wondering if taking
19 the Deputy Mayor's sort of mandate to get the
20 money spent and spent well, whether we have
21 the purview to recommend that any good project
22 in this current RFP that wasn't able to be

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1 funded by the original budget could get an
2 allocation of this hundred million, and
3 whether that's something we talk about sooner
4 or later. And so, I just wanted to put that
5 out there.

6 CHAIRMAN BOWERS: That's a good
7 question for now for sure as part of the
8 status. Michael or Milton, you want to speak
9 to that?

10 MR. KNIGHT: And let me just say
11 I'm looking at the answer to Number 3 on here,
12 Number 3, when will the money - the hundred
13 million be - and it says, as projected not
14 until the Housing Needs Assessment will be
15 completed.

16 MR. BAILEY: Yeah, let me --

17 MR. KNIGHT: So, do you all want
18 to speak to that?

19 MR. BAILEY: Yes, sure. Let me see
20 if I can set this up. The hundred million
21 dollars that was allocated less the money that
22 was set aside for the Local Rent Supplement

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1 Program, Rapid Rehousing, Emergency Rental
2 Assistance Program, victim services, the
3 technology tools and the needs assessment,
4 that money is going to be available in 2014.
5 It was not contemplated that it would be a
6 part of the NOFA that went out.

7 That said, part of our discussion
8 that - for this board is whether it is
9 advisable to beforehand use some of that
10 hundred million dollars, use that portion
11 that's going to be available, to fund any
12 residual or oversubscription, if you will, to
13 the normal - to the application that came in
14 under the normal NOFA.

15 The recommendation that we are
16 putting forth or we put forward is we
17 particularly on the demand side, don't know
18 whether or not the - let me backup.

19 MS. MARSHALL: Who is the "we"?

20 MR. BAILEY: If 40 million dollars

21 -

22 MS. MARSHALL: Milton, excuse me.

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1 Who is the "we" in -

2 MR. BAILEY: The Administration.
3 The 40 million dollars that went into that -
4 or so that went into the Housing Production
5 Trust Fund, there was about 166 million
6 dollars of demand against. Even if you fund
7 the 40, there's still going to be overflow.

8 The overflow projects, we don't
9 know if those projects fit with what will come
10 out of the housing needs assessment in terms
11 of low-income populations, homeless
12 populations and the like.

13 So, to the extent that once we get
14 the data back on that needs assessment, it
15 will be able to inform the decision as to
16 whether or not we should or can or whatever
17 want to release a portion of the funds to get
18 that low-hanging fruit of projects that would
19 indeed provide housing or preserve housing for
20 the hardest hit populations, hard-to-finance
21 populations. So, that is what the current
22 thinking is.

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1 Part of the discussion that you
2 all need to have is way to weigh the benefits
3 and pros and cons of that. Do we want to
4 release the money before the needs assessment
5 comes out? Do we want to anticipate what the
6 needs assessment is going to say?

7 That's what this august body - one
8 of the tasks the august body probably needs to
9 reflect on.

10 And in the agenda, not to steer
11 anything, I had put, and I apologize to the
12 Chairman, a couple of items just as memory
13 triggers for me when we got to that discussion
14 and I believe that this was one of them.

15 I hope that answers the question.

16 CHAIRMAN BOWERS: And I have a
17 follow-up question for all. So, the 166
18 million of demand - and I see on the response
19 sheet here, and, again, thank you, staff, for
20 doing this - 2900 units, 2947 units
21 represented in the current demand.

22 Was there any - has there been any

1 analysis done of the population that would be
2 served by the units that would either be
3 preserved or produced in the current request
4 and cross-walking that against the statutory
5 requirements of how the Trust Fund money is
6 supposed to be used?

7 Has that analysis been done yet,
8 or not?

9 MR. SIMMS: No.

10 CHAIRMAN BOWERS: And is it
11 intended to be? Is that done as normal
12 course, or not?

13 MR. SIMMS: It's done in normal
14 course in terms of how we track what we have
15 done.

16 This is a little bit different in
17 terms of this fiscal year in this round
18 because we have - we have a whole slew of
19 activities that are going on as part of this
20 NOFA. So, we haven't gotten to that part yet.

21 It will come into play when we
22 start scoring at the end, because logically

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1 who you serve, you're comparing apples to
2 apples.

3 So, if you're serving a special
4 needs population, who is that population?
5 What is the target? What are the services?
6 So, you will get a better perspective, but it
7 won't be until probably a month, a month and
8 a half from now.

9 CHAIRMAN BOWERS: Okay. So, just,
10 Nathan, if I'm hearing right, so there will be
11 an analysis done of who will be served in the
12 next six to eight weeks.

13 MR. SIMMS: Right.

14 CHAIRMAN BOWERS: So, the
15 Department will be able to say we've got a
16 request for 166 million, 2400 plus units. Of
17 those 2400 units, X number of units would
18 serve at X percentage of AMI, X number would
19 serve at X percentage of -

20 MR. SIMMS: Correct.

21 CHAIRMAN BOWERS: Okay. All right.
22 Thank you. Other questions.

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1 Oramenta, and then Sue or -

2 MS. NEWSOME: So, you have here in
3 Number 7 there's a push - I'm sorry. Under
4 Item 7 on your one page in here you mention
5 preservation and new construction, but under
6 the NOFA you don't have TOPA proposals, right?
7 That's a separate -

8 MR. SIMMS: We only receive - we
9 only - we have an open window for TOPA for
10 acquisitions. When they become cooperatives,
11 obviously they do come back for
12 rehabilitation.

13 So, to that extent, we did receive
14 a proposal for a TOPA acquisition which we
15 removed from the NOFA and inserted that into
16 our current pipeline though we do have former
17 TOPA transactions where they are now owned -
18 the tenants now own the building as a
19 cooperative and now are coming back for
20 rehabilitation.

21 MS. NEWSOME: And then just one
22 second question. You mentioned earlier about

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1 the breakout of the Trust Fund dollars. And
2 you have X that ended up in the NOFA, but you
3 also have TOPA and you have other things.

4 That includes the ten percent -
5 you take the ten percent - two or ten percent
6 out of those funds for your operations.

7 MR. KELLY: Correct.

8 MS. NEWSOME: Given that the dollar
9 figure from year to year for the Trust Fund
10 jumps around, your ten percent jumps around.
11 And so, one thing that we have to consider is
12 your capacity at DHCD to manage all of this.

13 So, I just think at some point - I
14 don't think it's the time for discussion now.
15 But when we get into bigger things, we have to
16 talk about that.

17 Because if your numbers are
18 jumping around every year in terms of how much
19 money you're getting, then clearly that has a
20 big effect on your capacity to manage all this
21 work.

22 MR. KELLY: Correct.

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1 CHAIRMAN BOWERS: Great.

2 MR. KELLY: And that actually came
3 up a little bit around our - we had a
4 presentation to the Chairwoman of our
5 committee and that question came up a little
6 bit early on, but the answer - absolutely.
7 There is a relationship between how much we
8 can administratively cover versus - but to
9 your point, this hundred million dollars is
10 like a big bubble at the moment.

11 Hopefully it will be a bubble that
12 keeps growing, but we need to be able to be
13 flexible and aware of growing and contracting
14 based on the dollars available for us to
15 administer.

16 CHAIRMAN BOWERS: Great. Sue.
17 Thank you.

18 MS. MARSHALL: I wanted to go back
19 real quickly to some of the unfunded projects
20 to see if there's a possibility of getting
21 some there before six to eight weeks about
22 what is potential to be funded.

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1 MR. KELLY: I think the difference
2 is, Sue, we all know it is part of - we know
3 at this stage now how viable those projects
4 really are.

5 Really, what we have on the
6 surface is 34 applications that said that they
7 can produce housing.

8 Once we start doing the deeper
9 dive, there may be 10 here that really are
10 ready to go.

11 So, as we begin to kind of dissect
12 that, I mean, we know how many units we have.
13 We know who has requested what of what funding
14 sources, including wraparound services from
15 Department of Human Services, the rental
16 assistance that's available.

17 But until we begin to do kind of
18 that deeper dive to say that your assumptions
19 are, in fact, real, this transaction is real,
20 it's going to be hard for us to produce that
21 early on.

22 And we've just cleared the first

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1 hurdle of our process, which was the threshold
2 review. And so, the next stage is really that
3 the staff is going to begin to do their deeper
4 dive underwriting.

5 So, they will do that, but I would
6 like to because we're going through a new
7 underwriting process for them, I would like to
8 stress the benefit of allowing them to do
9 their due diligence and their analysis and
10 that we begin to report back in terms of who
11 said that they were going to serve, you know,
12 these populations and, in fact, was that
13 realistic, or not realistic.

14 CHAIRMAN BOWERS: Let me ask a
15 question to follow up on Sue's question. And
16 I hear - I'm sensitive to what I'm hearing in
17 terms of process and staff capacity.

18 Is there, Milton, is there
19 potentially another resource even outside the
20 Agency that could just do the analysis of the
21 - who the units would serve separate and apart
22 from the underwriting due diligence that staff

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1 has to do?

2 Is there anyone who could, you
3 know, and I don't know if it's a grad student
4 or some other staffers who would be able to
5 just go in and look at, you know, A, B, C
6 applicant says they'll do a hundred units,
7 says their units will serve these populations
8 and these neighborhoods and kind of put
9 together that analytic -

10 MR. BAILEY: Yes.

11 CHAIRMAN BOWERS: That does it
12 while the staff that's doing underwriting, can
13 do their underwriting.

14 What I'm hearing is that
15 information could help inform our
16 considerations about - because we know the
17 Housing Needs Assessment Study is coming.
18 And, Milton, you want to say a word about the
19 timing of that.

20 But in the short term because
21 there is a big time press, I think having that
22 sense of where the demand has come into the

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1 Department could be helpful.

2 So, one, is that possible? Is
3 there potentially staff resource somewhere in
4 the Government -

5 MR. BAILEY: Yes.

6 CHAIRMAN BOWERS: - that could
7 help with that?

8 MR. BAILEY: Yes, absolutely. We
9 have, I think, some Capital City fellows
10 hanging around. We just got another one in
11 just a couple days ago or earlier this week.
12 There are some good folks over at DMPED.

13 So, pulling together that
14 information is not going to be difficult at
15 all. We already have staff on hand to do
16 that.

17 CHAIRMAN BOWERS: Okay. That's
18 great. And then, Milton, do you want to say
19 a word about the - and this kind of ties in -
20 we've been kind of jumping around, but the
21 Housing Needs Assessment. I know it's on the
22 agenda.

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1 Do you want to give us a sense of
2 the timing - what that will include and the
3 timing on that?

4 And then let me ask before you say
5 this, is Polina still here? Polina?

6 MR. BAILEY: Yes, right here.

7 CHAIRMAN BOWERS: Why don't we have
8 you answer that. Polina, if you could take a
9 minute to say after Milton, do your piece if
10 we can do that in about five minutes and take
11 any questions.

12 And we're already starting to get
13 into what the priorities will be and we'll
14 come back to this discussion about priorities,
15 but I want to respect folks who are on the
16 agenda.

17 Milton, do you want to say
18 something about the Needs Assessment timing
19 and what will be in it?

20 MR. BAILEY: Yeah. First of all, I
21 want to thank you all for your input on that
22 Needs Assessment. I think the ultimate

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1 product that went out was fairly decent.

2 There's still some fine tuning
3 opportunities for us to do, but it closes,
4 Polina, when?

5 MS. BAKHTEIAROV: August 30th.

6 MR. BAILEY: August 30th. So, all
7 the responses have got to be in - or the
8 players, respondents need to be able to submit
9 their proposals in terms of they present their
10 capabilities and what their expected costs are
11 going to be in order to perform under that
12 RFP.

13 When we start having - and that is
14 why, and again I apologize to the Chair, I put
15 a little note on the agenda that says "Review
16 Committee" so that when we start having those
17 discussions with the respondents, that we have
18 potentially a review committee, if it's
19 appropriate, of this body establish to ask the
20 hard questions, to provide feedback, to help
21 fare it out, some of the technical
22 requirements, and provide clarification and

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1 refinement to those people who are going to be
2 - that would eventually end up on the short
3 list.

4 Obviously, those who are - don't
5 have the capabilities would not be
6 shortlisted. Those that have the capabilities
7 would be. And then there would be a
8 discussion - an opportunity to discuss with
9 them how you would like them to proceed with
10 the study and get further refinement on those
11 elements that still may be outstanding in
12 terms of questions or needing more refinement
13 on terms.

14 So, but that RFP closes on the
15 30th. And when are responses due? The 30th.

16 MS. BAKHTEIAROV: Uh-huh.

17 MR. BAILEY: We've been answering
18 questions online. There have been very few.
19 I think maybe ten questions or so have come
20 in. Everything from what is a - what
21 constitutes a local, small, disadvantaged
22 business, to can I have some more time filling

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1 this out.

2 CHAIRMAN BOWERS: And, Milton, the
3 City's expectation once a vendor is actually
4 selected, how long will the City give them to
5 produce the report?

6 MR. BAILEY: I would prefer - the
7 Administration would prefer that it's on a
8 short leash, because we want to get this
9 information out and digest it as quickly as
10 possible so it can inform our decisions.

11 So, I'm thinking part of the
12 discussion we need to have with the respondent
13 is, how long is it going to take you to
14 produce?

15 And as long as it's a qualified
16 respondent, the one who gives me the shortest
17 answer, but can fulfill the responsibilities
18 is what I'll be guided by.

19 CHAIRMAN BOWERS: Uh-huh.

20 MR. BAILEY: I don't know what your
21 guidelines would be. I'm not going to be a
22 part of the selection committee. You guys

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1 are.

2 I don't know. What is reasonable
3 given the data that we're asking to be mined?
4 Is it a month? Is it two months? Is it three
5 months?

6 Your advice in that regard would
7 be very helpful based upon your assessment of
8 the respondent's capabilities.

9 CHAIRMAN BOWERS: Sure. Thank you.
10 Stan, and then -

11 MR. JACKSON: Part of the
12 assessment - can you hear me?

13 CHAIRMAN BOWERS: Oh, there you go.

14 MR. JACKSON: Part of the
15 assessment, I understand, is going to be not
16 only a steady state of where we are today, but
17 where we kind of project we want to be over
18 the next several years.

19 And so, what's kind of interesting
20 is that if we look at Harriet's analysis, it
21 certainly would be encouraging to see what the
22 selected entity would come up with based on

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1 here you're going to go prepare an analysis.

2 So, time is important to give us
3 some indication as to what would be the need
4 and demand and housing mix that's going to
5 come forward.

6 And that sort of relates to a
7 question, and we'll get into this later with
8 Jim, is how we then navigate between what we
9 normally do in your pipeline versus the
10 special allocation to make sure that we
11 strategically are looking at where we preserve
12 and where we produce these probes so you don't
13 break this concentration or you can't bring
14 the other attractions and emerging markets.
15 That's a comment I wanted to put out there for
16 consideration.

17 MR. BAILEY: I mean, Stan is dead
18 on target, which is why the Administration -
19 why I responded to Sue's question the way I
20 did.

21 The Housing Needs Assessment and
22 the collective data really can help inform in

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1 a huge way not only what the supply side is,
2 but what the demand side is, too.

3 You've got to have a demand, and
4 then you've got to be able to fill it and one
5 informs the other. So, if we have the
6 empirical data upon which to base the
7 determination as to whether or not we release
8 a portion or any portion of that hundred
9 million dollars into this NOFA, is really
10 going to be based on, well, what are the
11 projects in that NOFA, and do they serve that
12 need?

13 CHAIRMAN BOWERS: Great. Thank
14 you. We'll go to Polina, and we appreciate
15 your patience.

16 While you're coming up, one quick
17 question for, I guess, Oke or Michael. The
18 Annual Housing Production Trust Fund Report
19 that is due, when do we expect that the
20 updated one will be produced?

21 MR. KELLY: Well, if I can just
22 kind of put things in a context, you know, we

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1 actually for the first time in a long time
2 actually produced some reports. We actually
3 have the 2011-2012.

4 So, I'm going to take a moment,
5 take a deep breath and say, you know, as we
6 start to move forward that we actually have,
7 I think, some firm footing for having accurate
8 accounting moving forward.

9 A reminder that we do have
10 responsibility around quarterly reporting on
11 this and we're in the process of doing that.

12 And I believe that this is a -
13 we're now looking for the close of the fiscal
14 year. And shortly after that would be when
15 we'd be looking to do this.

16 CHAIRMAN BOWERS: Okay. Thank you.

17 Polina.

18 MS. BAKHTEIAROV: Good afternoon,
19 everyone. My name is Polina Bakhteiarov. I'm
20 a program manager with the Deputy Mayor's
21 Office for Planning and Economic Development.

22 So, this presentation is broken

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1 out into a pipeline of production and
2 preservation by agency. The four agencies
3 being DMPED, D.C. Housing Finance Agency, D.C.
4 Housing Authority and of course DHCD, as well
5 as OP, but I'm going to skip over that right
6 now. We're just going to go back and go over
7 these numbers.

8 Again, these are preliminary
9 analyses. So, we're just giving you a rough
10 idea of a first cut of both our pipeline and
11 our finance.

12 So, this is the affordable housing
13 universe that we're working with. You all are
14 familiar with all these different types of
15 units.

16 And the agencies, again, with
17 which we're fundamentally working with on the
18 supply side, we have a number of funding
19 programs and tools. These are listed here.
20 We've talked about many of them today. This
21 is just an overview.

22 And the reason why we're

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1 presenting this overview is because in a
2 moment you're about to see how we are
3 leveraging those funds for production and
4 preservation.

5 So, we did a preliminary analysis
6 of DMPED and DHCD projects that have either
7 closed or are close to closing, meaning that
8 there is a set pro forma and we were able to
9 break out the funds into these different
10 categories.

11 So, we have private equity,
12 private debt or loan. Then there's D.C.
13 investment, which is broken down into loan and
14 grant. And the total D.C. investment is just
15 an addition of those two.

16 There's the LITEC piece, and then
17 there's other contributions; federal,
18 philanthropic, anything that's miscellaneous
19 is in this bucket.

20 So, for DMPED projects you can see
21 the amounts. Again, these are for our
22 pipeline that, again, is either closed or

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1 close to closing.

2 So, the two rows here for every
3 dollar of D.C. investment, we're getting about
4 \$6.26 of private investment versus \$7.41 of
5 private debt. And then on the tax credit, you
6 can see 21 cents in tax credits and \$1.94 for
7 fed and other contributions.

8 So, again, in this first line
9 we're looking at how much of - for \$1 of D.C.
10 investment, how much investment are we getting
11 from the other buckets?

12 Down here is the opposite. For
13 every dollar of private equity, how much are
14 we putting in from the other buckets?

15 So, as you can see, \$1.18 for
16 private debt, 16 cents for D.C. investment,
17 three cents for tax credit equity and then 31
18 cents for other contributions. So, that's
19 just a sample of DMPED projects.

20 Here is the same analysis for
21 DHCD. So, again, for a dollar of DHCD
22 investment - and these are projects that are

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1 DHCD only. They are working independently of
2 the other agencies on these projects.

3 For private equity, we're only
4 getting seven cents on the dollar for that.
5 Private debt, 82. And then it goes to the tax
6 credit and federal contribution numbers.

7 And then for every dollar of
8 private equity put into a DHCD deal, we're
9 also - we need at least \$11 of private debt,
10 as well as more than \$14 of D.C. investment.
11 And here again are the tax credit and federal
12 contribution numbers.

13 So, if we look at those two tables
14 one on top of the other for easy comparison,
15 this is what the current leveraging scenario -
16 again, a very rough-cut, first, preliminary
17 cut, This is what we see.

18 Before I go into the joint
19 analysis, did you want to say anything else on
20 this?

21 MS. NEWSOME: Could you give just
22 like one summary profile or one sort of short

1 profile over a DMPED project versus a DHCD
2 project.

3 MS. BAKHTEIAROV: Meaning the type
4 of -

5 MS. NEWSOME: Well, what I - yeah,
6 right. So, DMPED because it's clearly, you
7 know, the volume of activity over the volume
8 of dollars is substantially higher. So, I'm
9 trying to get a sense of an example of a DMPED
10 project.

11 And I pretty much know what DHCD
12 would do. That's below 80 percent of the mean
13 income. You've got more nonprofits there, but
14 what about in the case of DMPED?

15 MS. BAKHTEIAROV: Some of the DMPED
16 projects that I know are included in this
17 calculation are City Market at O, City Center,
18 Hine School, projects of that nature. So,
19 large-scale projects where there's a big mixed
20 use component.

21 MR. POHLMAN: Well, excuse me. Is
22 there a -

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1 MS. NEWSOME: Were the DMPED
2 projects -

3 CHAIRMAN BOWERS: Hold on one
4 second. I'm sorry. Bob had a question. Go
5 ahead, Bob.

6 MR. POHLMAN: Yeah, I'm just
7 wondering if that's a valid comparison between
8 projects that are mixed income and merging
9 market rate and affordable projects?

10 I mean, are you comparing those
11 two in terms of leverage?

12 CHAIRMAN BOWERS: Bob, could you
13 hold on a second? Could you say that one more
14 time? Bob, say that -

15 MR. POHLMAN: I was wondering -

16 MR. BAILEY: I guess I'm not
17 supposed to do that.

18 CHAIRMAN BOWERS: Bob, go ahead.
19 We just want to make sure it's caught in the
20 record. So, we've got the microphone there.

21 Can you repeat your question?

22 MR. POHLMAN: Right. I was just

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1 wondering whether it was a valid comparison
2 comparing projects that are mixed income to a
3 market rate, the leverage that you get there
4 versus, say, a hundred percent affordable
5 project.

6 I mean, are you comparing those
7 two and indicating that one shows greater
8 leverage than the other based on those kind of
9 assumptions?

10 MR. GADA: This is Ketan Gada from
11 the Deputy Mayor's Office again. Polina, let
12 me address that quickly.

13 So, I think, Bob, and everybody
14 there, the intention there was not to make any
15 comparison.

16 Just as far as DMPED is concerned,
17 I think -- it's obvious that DMPED has tried
18 to equate directing it to affordable housing
19 through funds with the District and there
20 could be some other amenities and mission-
21 related dollars in that deal.

22 But our intent was basically just

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1 to kind of look at the public dollars across
2 agency as is right now, honestly.

3 I mean, so we - the next step is
4 actually kind of looking at affordable housing
5 data and how the leverage has worked across
6 the public dollars, as well as private dollars
7 of all the institutes.

8 And I think for the Housing Task
9 Force, a good list of people would be DHCD,
10 because they do primarily most of the housing
11 - the projects that they do are affordable
12 housing.

13 On the private side, we are going
14 to where we can just look at how dollars flow
15 from different agencies and then kind of take
16 the next step. And then kind of start
17 applying it towards affordable housing itself.

18 CHAIRMAN BOWERS: That's great.
19 Vonda, did you have a question or a point you
20 were about to make?

21 MS. ORDERS: It was similar to the
22 other points. And then I guess you'll go more

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1 - I was interested in the \$6 of tax credits
2 per one dollar of private equity, how we
3 arrived at that number.

4 MR. GADA: So, again we - this is
5 Ketan Gada again. Polina, I will tell you
6 this, feel free to supplement.

7 So, again, I think, keep in mind
8 what we have done here is merely taken
9 information from all the agencies and all the
10 different project managers in the different
11 agencies. On the projects they'll have the
12 experience.

13 So, this is information based on
14 the data that we have collected from the
15 different agencies in terms of what kind of
16 funding structures have gone into those. And
17 most of the people especially for affordable
18 housing, most of the deals that have happened
19 in the past have been rental deals. And a lot
20 of people have leveraged their tax credits,
21 their four percent tax credits and especially
22 DHCD also had access to nine percent tax

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1 credit which has a bigger boost in terms of
2 how the tax credits are allocated or the
3 equity that you can get out of the tax credit.

4 As a result, DHCD IS - you can see
5 the leverage ratio or the ratio of the tax
6 credit is a little higher compared to private
7 equity.

8 MR. BAILEY: I think the takeaway
9 from this discussion, and, Ketan and Polina,
10 correct me if I'm wrong, but DHCD's initiative
11 is a little bit different - substantially
12 different than DMPED's mission.

13 And the sources and uses of funds
14 that DHCD would bring to the table and what
15 the outcome or the production end would be as
16 it relates to the use of those funds is going
17 to be slightly different than what the
18 production outcome would be as it relates to
19 how DHCD would use their funds.

20 So, it's not necessarily an apples
21 to apples comparison. And it probably will
22 never be an apples to - but it's an apple-

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1 orange, if you will. An apple and an orange.

2 (Laughter.)

3 MR. BAILEY: Meaning this: As we
4 get more and more data in terms of what DHCD
5 is doing, what the Housing Finance Agency is
6 doing, what DMPED is doing and what HFA is
7 doing, then we'll get a better blended sense
8 of what across the board the investment is or
9 what the leveraging ratios are to be able to
10 determine what is tolerable and what is
11 intolerable.

12 And so, in some instances on a
13 DHCD apples-to-apples analysis, we're getting
14 as low as \$20,000 a unit investment, whereas
15 in some DHCD investments we're getting more.

16 What on an apples to apples
17 comparison for DHCD, when that analytical run
18 is done, makes sense. Then the next question
19 is to do the same thing for the other three
20 sisters and collectively what makes sense.

21 And so, I think that once you have
22 those runs and the overall rundown, you'll

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1 have a better appreciation for what a truer
2 picture is in terms of overall investment.

3 How much bang are we getting for
4 the investment dollar? We're not there yet,
5 but we are heading in that direction.

6 When Ketan gets back and Polina
7 and I sit down and we start drilling this
8 exercise down as we get more units produced,
9 more units funded, and I'll go back to my
10 presentation, those numbers will be tight.

11 CHAIRMAN BOWERS: Jim.

12 MR. BAILEY: Does that help?

13 CHAIRMAN BOWERS: That does help,
14 yes.

15 Jim.

16 MR. KNIGHT: That's a very
17 thoughtful response and encouraging to see -
18 or will be encouraging to see what it tells
19 us. I've got just a quick question on these
20 particular slides.

21 I'm surprised to see the
22 comparative volume of grant versus loan both

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1 out of DMPED and DHCD.

2 is there a definitional
3 difference? I'm not aware of all that many
4 pure grants coming out.

5 MS. BAKHTEIAROV: So, to caveat the
6 D.C. grant number for DHCD, a lot of these are
7 actually loans that could be forgivable at end
8 of term, but we - in this analysis, we're not
9 - it's all just totaled into D.C. investment.
10 So, we're not really looking at loan and grant
11 specifically. In the next iteration, we will.

12 Just to note, we've done these
13 analyses also for HFA and Housing Authority,
14 but I'm going to pass the mic to Milton right
15 now, because I'd like for him to go back and
16 look at the pipeline data that - from which we
17 extrapolated the financials.

18 CHAIRMAN BOWERS: And let me do a
19 time check, because we're about 18 minutes
20 out.

21 So, I'm going to ask - Milton is
22 going to do his piece. We're going to take

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1 about five minutes to let Milton do his piece.
2 And then we're going to spend our last moments
3 together really starting to talk about so now
4 that we've heard all of this, where do we go?
5 What do we do next as a board?

6 Milton. Thank you, Polina.

7 MR. BAILEY: Let me net my piece
8 out, all right. All joking aside, but I can
9 really net this out.

10 What we did was we took a look at
11 what the inventory was - what the pipeline was
12 among the big four. When I talk about the big
13 four, I'm talking about the primary - the
14 agencies whose primary responsibility is to
15 finance affordable housing however you want to
16 define it.

17 I define it as the maximum you
18 could earn - a household could earn and still
19 receive some type of public benefit whether it
20 is on the single-family side of the house
21 where you can fund a mortgage loan, a person
22 making up to 120 percent of AMI, or the lower

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1 end of the spectrum on a multifamily financing
2 where you would provide housing for persons
3 making no income.

4 But netted out with 95 percent of
5 pipeline data collected, it would indicate
6 that we would achieve 10,000 units - the
7 production of 10,000 units of affordable
8 housing by 2016. That's just what DHCD,
9 DMPED, the Housing Finance Agency and the
10 Housing Authority, the big four, have in their
11 pipeline.

12 There are 128 projects in the
13 overall universe. 24 of those are shared
14 among multiple agencies. So, one of the four
15 sisters is also in a deal.

16 18 of those projects, two agencies
17 are involved. Six projects, three agencies
18 are involved.

19 DMPED has 36,000 projects in its
20 pipeline. DHCD, 39. The Housing Finance
21 Agency, eight. And obviously the last big
22 sister, 21.

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1 We also have project partners at
2 the Deputy Mayor for Health and Human Service
3 particularly as it relates to wraparound, the
4 Local Rent Supplement Program, emergency
5 shelters -

6 MS. MARSHALL: And since you
7 brought that up, emergency shelters is not
8 housing. Make that clear.

9 MR. BAILEY: I will do that. It's
10 shelter. Okay. Department of Mental Health,
11 Department of Human Services and Department of
12 Health.

13 Also in that mix is the Department
14 of Public Safety and Justice where they
15 provide housing for victim services, victims
16 of violence.

17 All right. Aside from that, and
18 you heard from Harriet earlier, there are a
19 total of 66 projects going through the PUD
20 process of which 54 are already in our
21 pipeline.

22 MS. BAKHTEIAROV: No, they are not.

1 MR. BAILEY: They are not in our
2 pipeline. That's going to produce roughly
3 17,000 units of housing. That part of getting
4 the PUD also means that they are going to
5 provide affordable housing somewhere in the
6 mix.

7 These units still need to be
8 fleshed out, but as it currently stands it's
9 going to be about 14,000 units at market rate
10 housing, 2700 units of affordable.

11 All right. Multiagency, and this
12 is - what year is this? 2011 to 2013. 2011,
13 multiagency units produced, 200. 2012, 342.
14 '13, 525 and on down the chart for DMPED, DHCD
15 and the Housing Finance Agency, the Housing
16 Authority for 2751 units already produced
17 between 2011, beginning of the mayor's term,
18 and where we are now. On the market rate
19 side, 1200 units.

20 When we look out to '14 through
21 '16, this is how it stacks up. Multiagency,
22 855. We're not double counting. DMPED, 17

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1 and this on the affordable side. On 14 you
2 got 181. '15, 446, et cetera, et cetera, all
3 the way down to 5,103 units of affordable.
4 And market rate, 6500.

5 When we talk about post-'16 and
6 this is where it gets a little dicey, my
7 opening remarks were that we've got about
8 23,000 units in the pipeline. That's through
9 the end of term. That's through 2020.

10 But when you start getting beyond
11 2016, it's really hard to project. So, I
12 stopped it and I only go with what we have.

13 And part of that reasoning is the
14 2020 pipeline includes McMillan. It includes
15 -

16 MS. BAKHTEIAROV: St. E's, Hill
17 East, Walter Reed.

18 MR. BAILEY: Say it a little
19 louder, please.

20 MS. BAKHTEIAROV: St. E's, Hill
21 East, Walter Reed, McMillan, Skyland.

22 MR. BAILEY: Okay. And so while

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1 those are stage projects like Lincoln, right,
2 where they're coming on in stages, it's really
3 hard to say, all right, we're definitely going
4 to have these units on because of their
5 newness in the pipeline, by 2020.

6 If we carry this forward, okay,
7 then what we're looking at - if we believe
8 that what we're saying is the pipeline is
9 going to hold true to 2020, then we're going
10 to produce 1300 - 13,000 market rate units
11 aside from Harriet's piece, and 9600
12 affordable housing.

13 So, the delta if you believe that
14 chart, is only about 1500 units of affordable
15 housing in order to meet our objectives
16 without spending a dime on the hundred million
17 dollars.

18 I think that more of the delta is
19 more in the neighborhood of 3,000 to 3500
20 units discounting the gravy. The gravy being
21 what will we need to produce between '16 and
22 '20.

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1 All right. On the preservation -
2 okay, that's the production. So, on the
3 production side we're talking about '11 to
4 '13, 1400 units; '14 to '16, 3800 units and
5 then post-2016, 1300 units.

6 Breakout for rental, sale and
7 rental or sale is on the smaller chart to the
8 right. '11 to '13, 1484, 3869 and post 1350.
9 That's how it breaks down between the spread
10 between ownership and rental.

11 What is this? Okay. On the
12 preservation side - and that was new, right?
13 Yeah, that was production. That's new.

14 MS. BAKHTEIAROV: No, but this is -

15 MR. BAILEY: This is preservation.

16 MS. BAKHTEIAROV: Uh-huh.

17 MR. BAILEY: Yeah. So, on the
18 preservation side we're talking about 1200 in
19 total between '11 and '13. Between '14 and
20 '16 another 1200. And post-'16, 446.

21 MS. BAKHTEIAROV: Just to
22 interject, with preservation obviously the

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1 timelines are often shorter. So, the
2 predictions especially post-'16 are going to
3 be less credible, because folks are just not
4 looking at that timeline yet for preservation.

5 MR. BAILEY: Right. What she said.
6 So, this is the production and preservation
7 breakdown summary. This is all affordable
8 dwelling units between '13 and '14, '14 and
9 '16 and post-'16. That's the breakout. The
10 rental split, sales split, rental or sales
11 split is down at the bottom.

12 So, between '11 and '13 you're
13 talking about 27. Between - which is really
14 eye-popping. Rental, 75 percent of the
15 production pipeline is rental. Five percent
16 of the production pipeline is sale. Rental
17 and sale combination 20 percent. And then
18 across the board you can see how the numbers
19 differentiate and how they dwindle in terms of
20 sale.

21 CHAIRMAN BOWERS: So, Milton, let
22 me put a bookmark there and ask again in the

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1 spirit of time, because I want to respect
2 folks and get you out by 1:00 -

3 MR. BAILEY: Yes, I apologize.

4 CHAIRMAN BOWERS: - are there any -
5 very helpful to see the analysis that's been
6 done.

7 Questions that board members have
8 for Milton or Polina as it relates to this?
9 And let me start off with, Milton, the
10 funding assumptions - or Milton or Polina -
11 for all of this assumes what in terms of the
12 City's investment in the units?

13 MR. BAILEY: Let me take a stab at
14 that. If we do nothing, then I believe based
15 upon the analytics, that we're going to be
16 looking at a delta to fill in order to achieve
17 10,000 units of affordable housing by 2020 in
18 the neighborhood of 3,000 and 3500 units.

19 That means that if we use the
20 hundred million dollars and you think in terms
21 of the Housing Needs Assessment, then it would
22 suggest that the 3500 units that are going to

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1 be developed would be the first shot - should
2 have the first shot at the hundred million
3 dollars.

4 And it would appear that if we are
5 funding incomes between - that are squarely
6 within the affordable range with our existing
7 pipeline, then the biggest delta is going to
8 be those hard-to-finance units that fall below
9 50 percent of AMI; would you agree?

10 CHAIRMAN BOWERS: Let me ask the
11 question in a different way. So, the 9,000,
12 roughly, units that are projected on the chart
13 between now and 2020 -

14 MR. BAILEY: Yes.

15 CHAIRMAN BOWERS: - that would be
16 produced or preserved -

17 MR. BAILEY: Yes.

18 CHAIRMAN BOWERS: - what is the
19 operating assumption that's built in of how
20 much city funding - how much trust fund
21 funding they would receive?

22 MS. BAKHTEIAROV: There isn't. So,

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1 this 9,600 estimate is based off of just pure
2 projections in terms of what the pipeline will
3 look like. There's no - there's some
4 financials that go along with that, but it's
5 not broken out by source.

6 CHAIRMAN BOWERS: So, just to make
7 sure we're all clear so that when we speak
8 about what's projected, we don't - that 9,000
9 units, they could - here, let me ask another
10 question.

11 These projections that were made
12 in terms of units, do you all have an analysis
13 of what income bands those units would serve
14 and has that been cross-walked with what the
15 requirements are for trust fund dollars?

16 MR. BAILEY: Remember this, that we
17 are going to have to do that income band.
18 What the traditional income band across the
19 four agencies is, is serving a population of
20 between 60 and 80 percent of AMI primarily.
21 75 percent of that going into the rental
22 housing populations.

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1 CHAIRMAN BOWERS: Right.

2 MR. BAILEY: A further breakout
3 needs to be done.

4 CHAIRMAN BOWERS: Right.

5 MR. BAILEY: Between that 60 and
6 that 80 percent of AMI, what's the breakdown?
7 And then what's the residual above that, and
8 what's the residual below it?

9 CHAIRMAN BOWERS: Right.

10 MR. BAILEY: So, that level of
11 analytics has not been done.

12 CHAIRMAN BOWERS: Okay. That's
13 helpful to know. And so, I think as the
14 analytic is being done, a couple things that
15 come to mind for us as a board in terms of
16 what we're charged with specific to the Trust
17 Fund is that if legally the Trust Fund is 40
18 percent supposed to go at below 30, and 40
19 percent supposed to go 30 to 50, when we are
20 thinking about in the days and weeks ahead how
21 to recommend how the Trust Fund dollars are
22 spent, one of the things we'll need to know is

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1 how - so, that's where the money legally has
2 to go. So, that's number one.

3 Number two, the 10 by 20 speaks to
4 affordability. It's not limited by income
5 bands.

6 So, one of the things we want to
7 know, I think, also is if the projection is we
8 get to 9,000 plus units, one notion is, you
9 know, again, what income bands are they
10 serving, because we need to know that as it
11 relates to -

12 CHAIRMAN BOWERS: Right.

13 MR. BAILEY: - when we're thinking
14 about trust money. And then secondly, how
15 much is it assumed city money goes into making
16 those deals.

17 Is that assuming 10,000 a unit?
18 50,000 a unit? 200,000 a unit? Because if
19 the assumption doesn't bake in dollars that
20 will be needed, then we don't know if we're
21 going to get to 9,000 units or 2,000 units,
22 right? Or 5,000 units or 12,000 units.

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1 So, I think that the - I hear you
2 on the assumptions that more analytics need to
3 be done. I hear that. So, I just wanted to
4 flag that for all of us that these assumptions
5 are going to - before we can wrap our heads
6 into talking about what the delta may be to
7 get to where we're supposed to get to, those
8 numbers are going to have to be baked in,
9 because that makes them real.

10 MS. BAKHTEIAROV: Can I just say
11 one thing that's important?

12 MR. GADA: David, this is Ketan
13 Gada again from the Deputy Mayor's Office.
14 So, based on the first question that is raised
15 about the assumption baked into the data, I
16 think I just want to add that the data that
17 they are presenting includes entire time frame
18 from when this administration kind of took
19 effect, 2010, to 2020. That's the time frame
20 that you're looking at.

21 So, it already includes some of
22 the units that have already been built out or

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1 they are under construction at this point in
2 time, like for 2013-2014.

3 CHAIRMAN BOWERS: Sure. Sure.

4 MR. GADA: So, some of them have
5 already been constructed. I don't have the
6 number in front of me, but I think somewhere
7 around three or four thousand are already
8 constructed.

9 And the remaining that are
10 projected based on the other years, based on
11 production and that information, the financial
12 information that you have received from the
13 developers themselves, based on their budget
14 financials.

15 So, those are definitely shown as
16 unchanged, but a lot of that is pretty
17 accurate because those are the deals.

18 So, we're not talking about all
19 the 9,000 units and where the delta for the
20 9,000 units is. It's not 9,000 units, as far
21 as the Task Force is concerned. The
22 discussion is focused smaller, somewhere

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1 around five thousand units. I don't have the
2 data in front of me. So, that's one thing.

3 MR. BAILEY: I mean, we get you -

4 CHAIRMAN BOWERS: Yeah, that's
5 helpful. Let me do a quick, quick time check.
6 So, it's about - there are a couple different
7 clocks and - let me go by - so, it's about
8 five minutes of 1:00 here.

9 To the Board, let me ask the
10 Board's pleasure. Are folks able to go until
11 10 after 1:00 and we do a hard stop at 10
12 after 1:00?

13 PARTICIPANT: Yes.

14 CHAIRMAN BOWERS: Okay. Thank you.
15 Number two, are there other questions that
16 folks have real quick, and then we need to
17 take the last ten minutes to really discuss
18 what our next steps will be.

19 But in these next five minutes,
20 anybody have questions for Milton, Polina,
21 Ketan as it relates to what's been presented?

22 MS. BAKHTEIAROV: Chairman Bowers,

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1 before we move forward I just want to point
2 out something important about the DMPED
3 pipeline that you see here.

4 So, these 30 some hundred units,
5 those also include the new communities. So,
6 Barry Farm, potentially Park Morgan and
7 Northwest One. Those are included in that
8 3700 number.

9 So, when we're thinking about
10 financing, those are going to be deeply
11 subsidized units aside from other deeply
12 subsidized units, but that will come on en
13 masse that will need to be funded.

14 CHAIRMAN BOWERS: Thank you. Other
15 questions? Thank you. Questions folks have
16 for Milton or Polina or Ketan?

17 (No response.)

18 CHAIRMAN BOWERS: Okay. Thank you
19 all very much for that - oh, one question. I
20 see it says "Confidential." Will members of
21 the Board be able to get access to this data
22 to be able to look at it to reflect on or -

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1 MR. BAILEY: I have a tendency to
2 leave stuff on my desk.

3 CHAIRMAN BOWERS: That would be
4 great to be able to - and if we need to be
5 held to some sort of keeping it confidential,
6 we can do that. I think it will be helpful
7 for us to be able to get that data.

8 Okay. So, as they say now, so
9 what? So, what now? Having heard all that
10 we've heard today and there's been a lot of
11 presentation of data and intel that we needed
12 to get, there are a couple of things that come
13 to mind here in terms of how we proceed.

14 So, one relates specifically, I
15 think, to what we've heard in this short term
16 and pipeline, right? So, kind of short term
17 and what's going on now with the kind of
18 current RFP and the NOFA that's out and what's
19 being considered. And everything is kind of
20 wrapped up into what I'll just call the RFP
21 process at DHCD.

22 Then there's a second track that

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1 relates to what Deputy Mayor Hoskins made
2 reference to earlier in terms of identifying
3 maybe a couple of priorities that came with
4 the Task Force Report and how we break off in
5 terms of deciding how much or little of that
6 we want to try and take on as a board.

7 I want to make - so, let me stop
8 there. Are people hearing other things in a
9 critical way that they - yes, David.

10 MR. ROODBERG: This is probably
11 similar to what you're saying, but I heard the
12 Deputy Mayor say that, you know, one of his
13 priorities was for how to spend the hundred
14 million, you know, by October 1st.

15 I mean, basically, I mean, it may
16 not be exactly October 1. But when it got in,
17 you know, to have some kind of plan in place
18 for the hundred million.

19 CHAIRMAN BOWERS: Other thoughts.
20 Oramenta, and then Jim.

21 MS. NEWSOME: That sort of
22 counters what Milton said, though. That's

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1 sort of counter to what was said later about
2 waiting on the assessment.

3 CHAIRMAN BOWERS: Uh-huh.

4 MS. NEWSOME: So, I think that's a
5 point we need to clarify.

6 CHAIRMAN BOWERS: And I heard
7 Milton say clearly part of - there's a
8 recommendation that we as a board can make as
9 it relates to that hundred million in terms of
10 when it gets spent and kind of where and how
11 it gets spent.

12 So, clearly that's one of our
13 tasks as a board, I think, and a top priority
14 is to make recommendation on kind of when, how
15 and where.

16 Jim.

17 MR. KNIGHT: I'd just like to
18 acknowledge a tension I'm sensing. The Deputy
19 Mayor also asked us to make recommendations
20 around policy and framework.

21 And so, there's a twin urgency
22 around collect the data for the needs

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1 assessment, understand what it's saying, apply
2 that to some forward-thinking policy and
3 procedure and spend a hundred million by
4 October 1.

5 And the ability to bring those two
6 things together in the time that we have
7 sounds challenging at best, you know. So, I
8 just - I wonder what the Administration's view
9 is of that and what our view is of that.

10 CHAIRMAN BOWERS: Sure. Thoughts
11 about that? That's a good question for the
12 group. Let me ask for members of the board,
13 your thoughts on that issue.

14 Bob, was that you trying to say
15 something on the phone?

16 MR. POHLMAN: Yes.

17 CHAIRMAN BOWERS: Go ahead.

18 MR. POHLMAN: I think this whole
19 thing with the needs assessment is crucial to
20 this discussion.

21 I don't know if you all have
22 looked at the RFP, but I have and I am also

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1 pretty familiar with research organizations
2 around the City and the difficulty of getting
3 data from District of Columbia sources, you
4 know.

5 It's going to be a while if, in
6 fact, you have to break down data into wards,
7 neighborhoods, neighborhood clusters, et
8 cetera, as what's required in the needs
9 assessment.

10 MR. BAILEY: How does he get away
11 with that?

12 MR. POHLMAN: I'm just throwing
13 that out there and I think there's going to
14 have to be some decision about moving forward
15 without having a complete needs assessment.

16 And, in fact, we already know a
17 lot of needs in a lot of different areas. So,
18 I'm just not quite sure what additional
19 guidance we are going to have from the really,
20 really detailed needs assessment that breaks
21 it down into all these kinds of geographic
22 categories.

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1 CHAIRMAN BOWERS: Okay. Thanks,
2 Bob. Other thoughts from members of the Board
3 on what you've heard so far and how to
4 proceed?

5 (No response.)

6 CHAIRMAN BOWERS: So, a couple of
7 things that -

8 MS. MARSHALL: May I speak?

9 CHAIRMAN BOWERS: Yes, ma'am. Sue,
10 please.

11 MS. MARSHALL: I would certainly
12 like to support Bob's position. I think there
13 is quite a lot of data that already exists.
14 So, I would not like to see us proceed as
15 though the blackboard is empty in terms of
16 needs assessment.

17 So, can we look at what we already
18 know and see if there's anything we can do
19 with some of the information we have?

20 CHAIRMAN BOWERS: Thank you. Other
21 thoughts people have? Members of the Board
22 around the table?

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1 (No response.)

2 CHAIRMAN BOWERS: So, it seems as
3 though on one level - there are a couple of
4 things and I'm looking at even the bullets
5 that were put down.

6 A couple things. One, we as a
7 board need to provide some recommendations to
8 the Administration about, again, kind of when,
9 how and where to use the Trust Fund dollars.

10 And I am intentionally not saying
11 the one hundred million. I'm just saying the
12 Trust Fund dollars, because there is trust
13 fund money as has been said before, it's all
14 in the trust fund and questions about whenever
15 it can legally be spent is there.

16 And so, whenever it can legally be
17 spent regardless of where it came from if it's
18 in the Trust Fund, it's available to be spent
19 for the purposes that the Trust Fund
20 legislation lays out. So, we need to provide
21 recommendations on that.

22 And while there - I would suggest

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1 that while there is a time push and pressure
2 that is real, that we also not lose sight of
3 the fact that it's not all going to happen by
4 October 1.

5 So, we have to think in terms of
6 recommendations that help DHCD and others in
7 the Administration make decisions in the short
8 term, but that, you know, come January, come
9 March of next year, come June of next year,
10 there will continue to be a trust fund,
11 continue to be funds there.

12 And so, we need to think about
13 recommendations on a short and long term kind
14 of to Jim's point around policies broadly.
15 So, it's a both/and, not an either/or.

16 So, I would actually suggest that
17 there's a lot of information that we have
18 really gathered and that we probably need to
19 come back as a body in near term to really
20 spend time hashing out saying, okay, given all
21 that we've heard from Harriet, from Milton,
22 Polina and others, what now should we

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1 recommend, right, to the Administration short
2 term understanding the pressures to do good
3 with the money that's there now, right, and
4 also start to think about what are some of the
5 longer term needs and what recommendations, if
6 any, do we put on that. So, that's one
7 thought that we need to come back with a real
8 focus on that.

9 The second thing is I heard Milton
10 clearly the notion of the Housing Needs
11 Assessment RFP, you know, we need to when we
12 come back think of if we are willing to
13 provide some of that assistance that Milton
14 made reference to, to help be part of the
15 selection process committee, and if so, whom,
16 we need to provide feedback on that.

17 Now, your responses come back
18 August 30th.

19 MR. BAILEY: That's correct.

20 CHAIRMAN BOWERS: August 30th. So,
21 I would submit that that's actually a decision
22 we might want to make today if we're going to

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1 provide some input. And if so, whom?

2 Because I'm assuming that once
3 they get those back, they're going to try and
4 bring together a review committee pretty
5 shortly that would not be made entirely of us.
6 There will be other people on the committee,
7 I'm assuming, but could include members of
8 this board.

9 Is that right, or no?

10 MR. BAILEY: It can include members
11 of this board and members of the
12 Administration. Clearly, Victor is going to
13 want to have somebody -

14 CHAIRMAN BOWERS: Sure. Sure.

15 MR. BAILEY: - participate in it.
16 Clearly, Bebe is going to want to have
17 somebody participate in it. I don't know if
18 Harriet is going to want to have somebody
19 participate in it, but I anticipate that they
20 do.

21 So, how many people on the HPTF
22 want to participate is entirely up to you, Mr.

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1 Chairman.

2 CHAIRMAN BOWERS: So, let me ask -
3 let me start there, because that's a very,
4 very short term.

5 Are there any members of the Board
6 who would like to participate and be a part of
7 that review committee?

8 Jackie. Okay. So, Jackie and
9 Sue. Anybody else? Okay. Thank you all very
10 much.

11 So, Milton, Jackie Prior and Sue
12 Marshall from the Board will be resources for
13 the RFP Review Committee.

14 Let me ask two last things. So,
15 in our next gathering when we come together to
16 really, again, having heard all we've heard,
17 start to really spend the bulk of the time in
18 the next meeting talking about what do we want
19 to recommend in the short term, are there any
20 pieces of information that board members feel
21 like we want or need to have either from the
22 Administration or externally that would help

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1 us in our deliberations when we come back
2 together?

3 Craig.

4 MR. PASCAL: Well, I think the
5 Deputy Mayor mentioned curves for leveraging.
6 So, if there's some past data that, you know,
7 years, maybe fiscal years '11, '12 and '13,
8 I'm more concerned about DHCD and maybe some -
9 not as much DMPED, but where they can do a
10 dive on - based on the zero to 30, the 40/60
11 and the others, what curves were actual
12 numbers in terms of leverage for us to
13 analyze. So, that will help us.

14 CHAIRMAN BOWERS: So, Craig, let me
15 make sure I'm hearing correctly. So, an
16 analysis on, say, '11-'12 over the last three
17 fiscal years, let's say, for the deals that
18 were funded -

19 MR. PASCAL: Funded.

20 CHAIRMAN BOWERS: - by the Trust
21 Fund, or by -

22 MR. PASCAL: They use a combination

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1 sometimes, and Oke would talk better to this,
2 you know, they blend with, you know, CDBG and
3 Home and others.

4 CHAIRMAN BOWERS: Sure.

5 MR. PASCAL: So, I'm okay with
6 whatever is easiest.

7 CHAIRMAN BOWERS: More by agency,
8 not by - and some analysis in those income
9 bands that are mentioned in the statute. So,
10 zero to 30, 30 to 50, if we can get an
11 analysis on how much was leveraged and how
12 much city money was put in?

13 Am I hearing that right, Craig? I
14 just want to make sure we get into the
15 specific -

16 MR. PASCAL: Yeah, how much city
17 money - yes, so we have an understanding of
18 those curves.

19 CHAIRMAN BOWERS: Total cost -

20 MR. PASCAL: You know, from a
21 historical -

22 CHAIRMAN BOWERS: - versus

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1 subsidy.

2 MR. PASCAL: Historical perspective
3 will help guide us in future decision making.

4 CHAIRMAN BOWERS: Okay. Bob, go
5 ahead.

6 MR. POHLMAN: Yeah. One thing I'd
7 like to see, I heard the report by Oke, but is
8 to literally take the cash that's in the Trust
9 Fund now for the total and, you know, how much
10 more money will be coming into the Trust Fund
11 through the end of the year?

12 Now, this is aside from the
13 hundred million. I'm just talking about
14 current resources.

15 There was discussion about, well,
16 not all of it's being used. Some of it's set
17 aside to post-October, but I want to know what
18 those numbers are.

19 Is it 30 million that's not being
20 used? Is it 10 million that's not being used?
21 So, a real breakdown on what is in the Trust
22 Fund and, you know, what's already obligated

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1 versus the projects that are underway, how
2 much really is available through the end of
3 2013, and then 2014 without regard to the
4 hundred million.

5 So, you know, that separates those
6 discussions and we certainly should be
7 recommending what happens to the money that is
8 already there and is already expected to come
9 into the Fund within, you know, October 1 is
10 just two months away.

11 CHAIRMAN BOWERS: Right. And let
12 me make one thing, Bob, because I don't - did
13 Bob didn't get these. Did Bob get - no, okay.

14 So, Bob, one thing. One of the
15 handouts does a breakdown of part of that in
16 terms of the Trust Fund allocation now.

17 But to Bob's point, and I just
18 want to make one tweak, I do think, again,
19 that that breakdown of how much is available
20 for '13 and '14 total from the hundred
21 million, but also from the deed recordation
22 tax and just want to be clear legally when

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1 this money is available to be used if the
2 Agency decided it wanted to, right.

3 That's the question, right?

4 MR. POHLMAN: That's correct.

5 CHAIRMAN BOWERS: Because the
6 question of what could be done and what will
7 be done is - Jim.

8 MR. KNIGHT: Just to flesh out one
9 point, I think Bob is also requesting sort of
10 a net number after the administrative piece
11 after anything promised to New Communities,
12 any of those sort of built-in uses.

13 CHAIRMAN BOWERS: Right.

14 MR. KNIGHT: And then for me,
15 reinforcing two things you said earlier, I
16 just want to make sure they're on the list.
17 The projection of the income banding in the
18 current RFP proposals.

19 And as DMPED is able to get to it,
20 the projection of the income banding in all
21 those 2020 projections we were given.

22 CHAIRMAN BOWERS: For the out

1 MS. NEWSOME: The other thing I'd
2 like, I'd like to give Mike the chance to talk
3 about capacity. And it goes back to what I
4 said earlier about, you know, the one number
5 that floats around with the Trust Fund in
6 terms of your operations, but I know CDBG
7 floats around, you know.

8 And just as an example right here,
9 we just ask you to create X amount of data in
10 addition to everything else that's done.

11 So, you know, in underwriting,
12 that's a big piece of the underwriting is the
13 capacity of the organization to do the work
14 that needs to be done. And I don't think we
15 need to ignore that.

16 I think, Mike, you need to give us
17 a real understanding of your assets and non-
18 assets and challenges and positives, because
19 we can't afford to make a lot of
20 recommendations that when it arrives at your
21 desk, you don't have the capacity to pull off.

22 So, I'm opening the door to you to

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1 give us some honest -

2 MR. KELLY: Well, thank you.

3 CHAIRMAN BOWERS: And you --

4 MR. KELLY: I'll give you the 30-
5 second version. The kind of stuff that we
6 need to do, I mean, the fact that I mentioned
7 that we didn't get the '11 or '12 report out
8 for years, is something that we have to do.
9 So, there becomes a mandate irrespective of
10 existing capacity we need to build to for
11 transparency and accountability. So, that's
12 one piece.

13 And almost in the same breath, we
14 need to build capacity to meet the
15 expectations.

16 The one thing that's a little
17 different now than it has been in the past is
18 that we're really embracing the idea of
19 outsourcing our underwriting capacity, our
20 underwriting services.

21 We've already engaged, you know, a
22 firm, a consulting entity that we've worked

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1 with in the past on an overview level that
2 we're now looking at to have on a very
3 specific level. And the beauty of that is it's
4 paid. We can actually have folks come in, do
5 what they need to do and then leave.

6 And so, in terms of our ability to
7 respond to stuff in realtime, we're able to do
8 that.

9 I think at this point - the other
10 thing, because we're talking about the Housing
11 Trust Fund. I think this group really does
12 need to know how much we got historically,
13 what are we looking at, how much we're getting
14 for rent historically, what are we looking at.
15 And, as importantly, are the departments,
16 Mental Health and on the service side with
17 Human Services.

18 But as we start to really looking
19 that the decisions around the Housing
20 Production Trust Fund be done in the context
21 of the other resources.

22 I say that to say in terms of our

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1 ability to get stuff done, we do have to rob
2 Peter to pay Paul in capacity around here to
3 do that.

4 And the other thing, too, just a
5 thought just in terms of things you have, is
6 that the Interagency Council on Homelessness
7 has a very supportive housing subcommittee.
8 This subcommittee has done a good job, I
9 think, of looking at the context around the
10 homeless as a subset of this housing needs
11 piece.

12 So, as we're starting to look at,
13 you know, this larger Housing Needs
14 Assessment, there is stuff, as Sue said a
15 minute ago, that has been done and I think
16 that's something, I think, David, I'd like to
17 throw in the mix in terms of expectations for
18 this.

19 CHAIRMAN BOWERS: Okay. That's
20 helpful. Thank you. Dates. Michael and
21 Milton - I'm trying to think. I'm thinking
22 sometime right after Labor Day if we can get

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1 back together the week of the 4th.

2 The info that we've asked for,
3 Milton and Michael, is it possible to have
4 that by right after Labor Day? Is it
5 realistic, really, for us to set a date the
6 week of the 4th, or do we need to do something
7 the week of the 11th?

8 MR. BAILEY: We'll get started on
9 it, and in the interest of full disclosure.
10 As long as we can manage vacation schedules -

11 CHAIRMAN BOWERS: Yeah. Yeah.

12 MR. BAILEY: - that should be
13 doable. I don't want to speak for staff,
14 because I don't know what their vacation
15 schedules are.

16 I can - once I have an opportunity
17 to poll them, I'll be able to give you a
18 better realistic turnaround time.

19 We are talking about a week and a
20 half before Labor Day.

21 CHAIRMAN BOWERS: Yeah. Yeah. Can
22 we look at the week of the 9th for board

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1 members and look at potentially Tuesday, the
2 10th?

3 CHAIRMAN BOWERS: Actually,
4 Oramenta and Bob -

5 MR. POHLMAN: Oh, excuse me. I'm
6 sorry.

7 CHAIRMAN BOWERS: No, no. The
8 morning of the 10th. Like, if we did 10:00 to
9 12:00 on Tuesday, the 10th, does that work?

10 MS. NEWSOME: The afternoon.

11 CHAIRMAN BOWERS: Let me throw out
12 one more option. The morning of Thursday the
13 12th or Friday the - Friday the 13th. How
14 nice.

15 MR. PASCAL: Those are actually
16 pretty good for me.

17 CHAIRMAN BOWERS: Friday the 13th?

18 MR. POHLMAN: That works.

19 CHAIRMAN BOWERS: All right.
20 Thursday? Any heartburn with Thursday the
21 12th? 10:00 to 12:00.

22 MR. BAILEY: 10:00 to 12:00 going

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1 once.

2 CHAIRMAN BOWERS: Twice. All
3 right. So, Thursday the 12th 10:00 to 12:00
4 back here with the information that we have
5 listed as requested from - I know Milton is
6 our point person on other moving pieces. So,
7 he'll work with folks to get us the
8 information ahead of time.

9 I also just want to flag for the
10 minutes or the record a couple other things
11 that I think were said as deliverables not
12 necessarily by the 12th, but just
13 deliverables.

14 One was the notion of what can be
15 offered on the demand side, which I believe
16 we're saying was coming from Deputy Mayor
17 Otero's office. That kind of accumulation of
18 that information and data.

19 The Office of Planning's
20 presentation that was made, to be shared with
21 folks.

22 A discussion of DHCD capacity,

1 which Michael actually just gave us a brief
2 update on.

3 And taking emergency shelter out
4 of the calculations that were done, I heard
5 that got flagged.

6 And then the analysis of the
7 current NOFA and who is being served by the
8 requests that have come in. And I think
9 Milton made reference to he would look into
10 having fellows and/or DMPED staff do that
11 analysis.

12 Having that analysis when we meet
13 again would actually, I do think, be helpful
14 to go through just the current requests that
15 are in and just doing that basic scrub of how
16 many people are the request saying they would
17 serve at what income levels irrespective of,
18 again, the underwriting is going on by the
19 underwriting team. We're just talking about
20 a basic scan of what people are saying they
21 would do at what income levels.

22 Any other final questions or

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1 requests from members of the Board?

2 (No response.)

3 CHAIRMAN BOWERS: Last thing in
4 terms of minutes, Bea and others, I think if
5 folks are in agreement, the bullet point draft
6 form of the minutes I will commit to taking a
7 look at.

8 Is there any - what I'm thinking
9 as a process that will make sense is that to
10 meet the three-day given what the counselor
11 said earlier, we'll do an in-draft kind of
12 bullet form minutes after each meeting. Do
13 that within three days.

14 And then the full minutes will be
15 produced by the time of the next meeting and
16 that will be a standing order of business at
17 the meetings to disapprove the minutes.

18 Besides myself, is there anyone
19 else who would like to put an - volunteer to
20 put an eye on the draft bullet point minutes
21 within the three-day turnaround after
22 meetings?

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1 MR. BAILEY: Mr. Chairman, may I?

2 CHAIRMAN BOWERS: Yes.

3 MR. BAILEY: I'm just going to let
4 you know straight up -

5 CHAIRMAN BOWERS: Yes.

6 MR. BAILEY: - that the everyday
7 turnaround rule is across the universe in
8 terms of all agencies and all boards of
9 directors for those agencies and it's never
10 met.

11 And one of the first pieces of
12 legislation that should go out would be to
13 change that to at least a week just as a
14 practical matter.

15 We will endeavor to comply, but
16 three days is a really short turnaround
17 period. Getting the minutes together, getting
18 them from the minute taker, have the
19 transcripts produced, that's a bad - so, we're
20 going to probably be out on that to begin
21 with.

22 CHAIRMAN BOWERS: So, I'll say,

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1 again, just whatever is done in terms of draft
2 bullet points, we will say for the minutes we
3 will endeavor to meet the goal understanding
4 that we are all human and sometimes fall
5 short.

6 So, with that being said in terms
7 of, again, the bullet point that will be in
8 draft form whenever that comes from staff, is
9 there anyone else besides me who would like to
10 put an eye just on the draft bullet point?

11 We will, again, the full minutes
12 will be looked at and approved at the
13 following meeting. But in terms of draft,
14 anyone else want to pony up for that or have
15 a desire?

16 (No response.)

17 CHAIRMAN BOWERS: Okay. So, on
18 behalf of the Board, I'll take a look at the
19 draft minutes in bullet point form. And then,
20 again, they'll just be posted "Draft" and
21 we'll approve with the full board later.

22 All right. I believe we are now

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1 adjourned. Thank you all very much. Have a
2 great weekend. And thank you all to all the
3 staff for being here and helping us with all
4 of this.

5 Bob, thank you. And, Ketan,
6 you're a trooper. Let the minutes reflect
7 that Ketan is a trooper who called in from
8 India to be a part of this.

9 (Whereupon, at 1:21 o'clock p.m.
10 the meeting was adjourned.)

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