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BALTIMORE CITY DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

AFFORDABLE HOUSING TRUST FUND COMMISSION MEETING

(Webex)

Tuesday, January 26, 2021

BEFORE: DAVID BOWERS, President

MEMBERS PRESENT:

- JALAL GREENE
- SHANNON SNOW
- VERNADINE KIMBALL
- ILETHA JOYNES
- TISHA GUTHRIE
- MATT HILL
- CINDY TRUITT

Reported by:

Roland Thomas Bowman, III

1 Also Present:

2 STEPHANI ESTRADA, Project Coordinator, Affordable Housing
Trust Fund, DHCD

3 JOHN MOBLEY, Program Manager, Affordable Housing Trust
4 Fund, DHCD

5 JIM HICKS, Assistant Commissioner, Homeownership &
Housing Preservation

6 EBONY RECTOR, Project coordinator, Affordable Housing
7 Trust Fund, DHCD

8 CAROLYN WATSON, Community Aide/Administration, Affordable
Housing Trust fund, DHCD

9 ANGELA WHITAKER, Community Action Partnership
10

11 KEVIN NASH, Public Information Officer, DHCD

12 RICHARD LIVINGSTON, Developer

13 STACY FREED, Senior Advisor to Chief Operations Officer,
DHCD

14 STEPHANIE MURDOCK, Legislative Liaison, DHCD

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P R O C E E D I N G S

(6:06 p.m.)

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PRESIDENT BOWERS: We want to say good evening to everybody. It is January 26, 2021, 6:06 p.m., Eastern Standard Time. This is the Baltimore City Department of Housing and Community Development, Affordable Housing Trust Fund Commission meeting being called to order by the President of the Commission, David Bowers.

Want to say a happy and blessed New Year to everyone. Glad we made it into 2021. It's good to see everybody here.

We will start by following an agenda. I want to thank the departmental staff for the preparation of materials for us. So we'll do our call to order, make sure we have a quorum. I'll call on Members of the Commission. When I call your name, if you wouldn't mind indicating your presence by saying here.

Iletha Joynes.

MS. JOYNES: Here.

PRESIDENT BOWERS: Great. Thank you.

Ms. Joynes is present.

1 Cindy Truitt.

2 MS. TRUITT: Here.

3 PRESIDENT BOWERS: Ms. Truitt is present.

4 Shannon Snow.

5 MS. SNOW: Present.

6 PRESIDENT BOWERS: Ms. Snow is present.

7 David Bowers is present.

8 Jay Greene.

9 MR. GREENE: Present.

10 PRESIDENT BOWERS: Jay Greene is present.

11 Tisha Guthrie.

12 MS. GUTHRIE: Present.

13 PRESIDENT BOWERS: Thank you. Ms. Guthrie is
14 present.

15 Tiara Watkins.

16 PRESIDENT BOWERS: Okay. Tiara Watkins not
17 here yet.

18 And Matt Hill not yet. We expect Mr. Hill a
19 little later, but not here present yet.

20 So we do have a quorum so we will proceed with
21 the meeting. And if anyone -- if Ms. Watkins or Mr. Hill

1 joins, if anyone happens to notice, let us know. We'll
2 make sure that they get counted in as present, if they
3 arrive.

4 So now we'll move on the agenda. One
5 correction on tonight's agenda. It says the approval of
6 -- should be the December 15th minutes; approval of the
7 minutes from December, that's right. So I want to ask if
8 Members of the Commission can review the summary write-up
9 from that meeting. If anyone has any corrections, please
10 let us know. And if at a certain point anyone feels so
11 moved, we can move to accept, if there are no
12 corrections.

13 (Pause.)

14 PRESIDENT BOWERS: Any corrections to be made
15 to the summary write-up?

16 MS. GUTHRIE: This is Tisha Guthrie. Move to
17 approve.

18 PRESIDENT BOWERS: Ms. Tisha Guthrie has moved
19 to approve. Is there a second?

20 MS. JOYNES: I second.

21 PRESIDENT BOWERS: Ms. Joynes says second.

1 It's been moved and properly seconded. Any discussion?

2 Okay, all in favor, please indicate by saying
3 aye.

4 COMMISSION MEMBERS: Aye.

5 PRESIDENT BOWERS: Any opposed, nay.

6 Any abstentions?

7 Okay. The summary write-up of December 15,
8 2020, meeting has been accepted.

9 A reminder to those who may be listening now,
10 tonight, and we welcome you, those who are listening
11 online or those who may hear this recording, that the
12 full notation of each meeting are eventually put up on
13 the departmental website. What we approve are a summary
14 of those full notes from the -- from each meeting. So
15 those are always available for folks.

16 So tonight, we are excited to have some special
17 guests with us this evening. One of the things we have
18 talked about over the past year and a half plus as we've
19 been together as Commission are ways in which we can
20 provide input and insight for the Department in terms of
21 standing up the Trust Fund and the operations of the

1 Trust Fund. Compliance, once the money goes out the
2 door, we've had some speakers on that. One of the things
3 we talked about at our last meeting, at several meetings,
4 but at our last meeting, was bringing in some guests who
5 could speak to us about how to leverage Trust Fund
6 dollars. How can we stretch the dollars that are in the
7 Baltimore City Trust Fund.

8 Some of you may remember, who have been keeping
9 up with the Trust Fund, that one of our speakers about a
10 year ago was Dr. Lisa Sturtevant, who gave an overview of
11 some trust funds around the country, and about how they
12 were structured, some of the compliance infrastructure,
13 and some of the ways in which they were funded.

14 So we've asked tonight's speakers specifically
15 to come and speak to us again about how we may stretch
16 the dollars. So tonight the format for Commission
17 Members and those who are listening. We've asked each of
18 our guests, we asked them to take up to seven minutes to
19 offer some opening remarks that -- and some of them may
20 have slides, others not -- but just asking them to do
21 some setting of the stage. We did send them some

1 questions ahead of time. Thanks for members, who also
2 gave -- for them to either speak to in their presentation
3 and/or be prepared to maybe answer on the back end. So
4 after our three presentations, we'll have about 20
5 minutes time for dialog, questions, comments from Members
6 of the Commission with our guests.

7 So we will hear in this order. We have Polly
8 Donaldson. Polly is the Director of the Department of
9 Housing and Community Development in the nation's
10 capital, Washington, DC. And, Director Donaldson, we are
11 grateful to have you with us.

12 She will be followed by Dana Johnson. Dana is
13 the President and CEO of Homes for America, and has also
14 had various experiences in her career wearing different
15 hats, and coming at this issue from different
16 perspectives, as Director Donaldson has, as someone who
17 has worked at a nonprofit in her career, running a
18 nonprofit that had to be on one side, and now she's on
19 the funding side.

20 And then we will be -- Gerard Joab, the
21 Executive Director, Saint Ambrose, will be our final

1 presenter.

2 So with, Director Donaldson, thank you for
3 being here, and I'll turn it over to you.

4 I think you may be on mute.

5 MS. DONALDSON: I'm going to unmute. This has
6 been my problem all day. Thank you, David. Thank you
7 very much. Great to see you again. I have fond memories
8 of you running the Housing Production Trust Fund Board
9 Meetings in DC. So, which you did for a number of years,
10 and really helped grow the Fund in that way.

11 Thank you to Commissioners. I do want you to
12 know Baltimore is a special place for me. I grew up
13 there. Went to school, went to college in Baltimore, and
14 though I've been in the District here for the past 30
15 years. I still do consider it my hometown. So I'm
16 delighted to be able to come talk about the work we're
17 doing in DC, and hopefully be able to share some
18 experiences that will help as you launch your Trust Fund
19 in Baltimore.

20 I really appreciate getting your questions in
21 advance because it helps really focus in the

1 presentation.

2 I know, Stephani, you're going to put up the
3 slide deck, is that correct?

4 MS. ESTRADA: Yes. Are you ready now?

5 MS. DONALDSON: Oh, yes, yeah. I know I only
6 have seven minutes, so I'll have to get through.

7 While we're -- while that's posting, I just
8 want you to know that I heard your questions, and I'm
9 prepared to talk about leveraging and income targeting
10 and, of course, equity because that's really what is
11 laced throughout the work that we've been doing in DC.

12 So you can go to the next slide. Okay. Just
13 to give you the parameters of the Housing Trust Fund in
14 the District. Currently, it is funded at \$100 million a
15 year. A great majority of that comes from the 15 percent
16 of the deed and recordation tax revenue from real estate
17 transactions in the District of Columbia. Usually, that
18 covers about 65 to 75 million, and then the rest is
19 supplemented by local funds as proposed in the Mayor's
20 budget. I will say Mayor Bowser, who took office in
21 2015, which is when I was appointed Director of the

1 Department of Housing and Community Development. My
2 background, just so you know, also was in nonprofit
3 affordable housing and homeless housing development with
4 a faith-based organization in the District that was
5 rooted in the Episcopal and Lutheran churches. So I come
6 from the side of being the one doing the developing in
7 the nonprofit sector, and know as a practitioner what it
8 takes to get these projects done.

9 So the Mayor Bowser when she took office, and
10 campaigned on this actually in terms of creating -- we
11 knew how valuable the Trust Fund was as a tool, but it
12 had not always been robustly funded. And so she
13 committed to a minimum for each year of \$100 million.
14 And so since 2015, or FY '16 budget, over half a billion
15 dollars. So it's been six straight years of 100 million,
16 some years a little bit more than 100 million. And that
17 has really been absolutely important for financial
18 institutions, for philanthropy, for all sorts of other
19 sources of funding to see that the commitment is there in
20 the District for that kind of gap financing. And the
21 budget -- and the Council has approved the budget, and

1 they have approved the budget at the Mayor's request.

2 Incorporated in the statute that's creating the
3 Trust Fund is the targeting towards specific income. So
4 this is language from the statute. At least 50 percent
5 of the HPTF funding must serve households with incomes
6 below 30 percent of the DC area median income; and then
7 another 40 percent. So, basically, 90 percent of the
8 Fund goes to families and individuals with household
9 earnings between or under 50 percent. So that second
10 bucket is between 30 and 50 percent of the area median
11 income.

12 And then, finally, that last 10 percent of
13 funds can go to households that serve incomes up to 80
14 percent of AMI, but that is -- most of it, I will -- as
15 you will see in the next slide, is distributed, as I
16 said, over 90 percent below that.

17 Now, it has been challenging reaching that 50
18 percent of HPTF spending to the very lowest income. And
19 part of the reason is the need for operating subsidy,
20 which I will get to in a moment.

21 Next slide, please. So this is how we've --

1 able to chart this. Sorry, the numbers are a little
2 small there. But really showing from when the Trust Fund
3 up until 2013 really did not have a great deal of
4 investment. It really relied just on the dedicated
5 revenue stream, and did not have a lot of extra funding.
6 Plus, project funds did not get out the door. There was
7 an accumulated fund balance, which made the political
8 decision to add to the budget of the Trust Fund
9 challenging. So that's an important lesson learned.
10 That as we -- as in 2015, you can see the expenditures
11 greatly increase. I have a fantastic Development Finance
12 Team at DHCD, and support from the administration across
13 multiple agencies to make these projects happen, and to
14 be able to get the resources out the door. So I think
15 that that's also another important piece. But you can
16 see that some years and, again, it's important when the
17 measure is taken is when the projects open. And that's
18 an important point, and actually one that we're in
19 conversation right now with the council on.

20 When we select projects is when we actually, we
21 look at what income levels are being served, and what's

1 the distribution. And we actually believe that's a more
2 accurate measure of what the attention is, and how we are
3 addressing the priorities, particularly the statutory
4 required income priorities. So we are in discussions
5 with the council about changing when that measure is
6 taken. Because projects, as we know, have the
7 construction timeline and different closing schedules.
8 And so we may select projects all at one time that meet
9 more of the percentage of distribution, but they don't
10 reflect it because they don't all open at the same time.
11 That's just an important point, and one that we've
12 learned from our experience.

13 Next slide, please. So what the department
14 runs is a -- what we call a consolidated request for
15 proposals, and the local and federal funding sources that
16 are available in each RFP is consolidated. This also
17 helps us with the production of our permanent supportive
18 housing because we -- it's a one-stop shop. You come in,
19 you ask for you development subsidies. That's the
20 financial piece, and you can see the variety of local and
21 federal funding, of course, lead by the Housing

1 Production Trust Fund, but also including our federal
2 CDBG and home funds from HUD, as well as the nine percent
3 low income housing tax credit that DHCD has direct
4 control and allocation over.

5 There's also the new National Housing Trust
6 Fund that HUD administers as well. But we also -- you
7 can get development subsidy, and then you can get
8 operating subsidy. In this case, from our DC Housing
9 Authority, which is a separate agency. And one program
10 we've developed to help because there has not been a
11 great increase in the federal housing subsidies of
12 housing choice vouchers and Section 8. So we created
13 locally our own local rent supplement program that acts
14 in the same way, and these are project-based vouchers
15 that are attached to specific developments. And the
16 Trust Fund has a compliance period of 40 years. So that
17 housing must stay affordable for the 40 years, and the
18 commitment for the subsidy is the same.

19 And then in the case of permanent supportive
20 housing or other services enriched housing, we also
21 provide funding from our Department of Human Services for

1 case management and other supportive services. Of
2 course, we use taxes and bonds for the Housing Finance
3 Agency that's, again, a separate entity. And on their
4 behalf, they administer -- on our behalf, sorry -- the
5 four percent Low Income Housing Tax Credit Program as
6 well. And we also have some green building incentives
7 that are very important as well.

8 So those are the leverage sources that are
9 primarily government as well.

10 Next slide, please. We also though, and this
11 is a key factor in how we make selections for in the RFP,
12 how the ranking system based on a multitude of priorities
13 in the RFP. So it includes types of housing. It
14 includes the financial wherewithal and the leveraging of
15 other resources. It includes a variety of factors,
16 including how many are addressing the statutory
17 requirements of income level at the same time. And so
18 the selection criteria both for underwriting and the
19 prioritization scores form the basis of the initial cut,
20 if you will, as we look to select. But we also have a
21 geographic prioritization that I'll explain a little more

1 about as we look at the -- at how Mayor Bowser wanted to
2 go about developing more housing in the District, but
3 also with a very clear equity and equitable distribution
4 blend.

5 So if we go to the next slide, please. So at
6 her second inaugural in 2019, Mayor Bowser made the
7 commitment recognizing that there -- that the population
8 of the District was growing now over 700,000 people,
9 which I would have to do my statehood push here because
10 we are actually larger than the states population in
11 Vermont and Wyoming, but do not have representation in
12 the Congress, and we pay federal taxes just like other
13 residents of the United States. But in any event, as
14 part of the affordable housing commitment that the Mayor
15 made, and based on research by the Metropolitan
16 Washington Council of Governments and the Urban Institute
17 as to the need for more housing supply across income
18 levels in the District, that regional number is 240,000,
19 and the District shares 36,000. And the Mayor committed
20 to increasing the supply of housing in the District by
21 36,000 by the year 2025; and that 12,000 of those units

1 would be affordable housing units.

2 There are also other elements that she was
3 supporting in terms of creating homeownership and
4 strengthening our homeless programs through the Homeward
5 DC Plan. But the housing goal is what has really been
6 the driving force behind the housing policy. And the
7 Mayor's order, as you can see, did address a number of
8 overall strategy, and I'm very happy to share that with
9 folks as well.

10 Next slide, please. So one of the main charges
11 that my department and the Office of Planning in the
12 District government were charge with was looking at where
13 was there current distribution of affordable housing and
14 where in order to meet the affordable housing production
15 goals, where should that housing go in the future?

16 So on the left is our current. It's done by
17 planning area because our award boundaries change with
18 the census, but the planning areas remain consistent.
19 And you can see that there's been far greater affordable
20 housing built east of the Anacostia River in the
21 southeast portion of the city. Very little in northwest

1 DC across Rock Creek Park where it's primarily single-
2 family homes except along some of the commercial
3 corridors. And in order to truly have equitable
4 distribution, and equitable opportunity for -- because
5 where you live determines so much of what your health and
6 your economic status and your education status and all
7 sort of other impacts, to plan out and devise goals for
8 each planning area that would really make it clear what
9 work would have to be done, and where we would be
10 incentivizing affordable housing development in the eight
11 wards of the District.

12 Next slide, please. So how are we doing?
13 Well, this is actually, as I said, the Mayor just
14 announced today that we are 40 percent towards our goal
15 of 36,000 units by 2025. This was the Deputy Mayor for
16 Planning and Economic Development; has an economic
17 intelligence dashboard on their website that's updated
18 with units as they come online.

19 Now we're at 17 percent of the goal for the
20 affordable housing, and we have some work to do. I think
21 that, as I mentioned, a year ago I thought we were going

1 to have a banner year for the greatly increased budget.
2 The reality of COVID and the economic crisis changed
3 that. But we do have a pipeline, and we are looking to
4 expand our resources with some additional federal
5 resources. We've looked particularly for those who --
6 HUD -- the Section 108 Program at HUD, which allows you
7 to leverage your community development block grants in
8 order to preserve existing housing. That is potentially
9 -- we've put in for a revolving loan fund that will help
10 some of our preservation projects as well. In addition,
11 we are looking to continue to preserve our existing
12 affordable housing. We have a separate preservation fund
13 that requires a three to one leverage by the fund
14 managers. They, as part of their proposals, they have to
15 bring three times the resources to the preservation
16 projects for every dollar that the District puts in.

17 Next slide, please. So back to the
18 prioritization scoring criteria, and you can see that not
19 only is demographic data important, particularly serving
20 the most vulnerable populations, but, also, you will see,
21 if you look at Item 7, there is a statutory preference

1 for nonprofit developer participation, and also for
2 tenant right of first refusal, and for tenants to
3 organize to be able to purchase their buildings and
4 develop it, and maintain it as affordable housing.
5 That's the TOPA, Tenant Opportunity to Purchase Act. The
6 proximity to transit, we added in opportunity zones
7 prioritization. And then you can see 17 points for
8 economic opportunity targeting. That is saying in the
9 areas where jobs are being developed, and where there is
10 additional economic opportunity, that building affordable
11 housing there is a very important way of providing those
12 additional economic opportunities to low and moderate
13 income residents.

14 We also want to make sure that our DHCD
15 resources are maximized in preservation and towards mixed
16 income developments as well.

17 Next slide, please.

18 PRESIDENT BOWERS: Director, we're going to do
19 a one-minute -- just a one-minute warning.

20 MS. DONALDSON: This is the last slide. We're
21 good. Okay. Thank you, David. See, I knew you -- I

1 knew that was coming.

2 Anyhow, I want to say that, so how are we doing
3 prioritization scoring? How are we doing with it? The
4 fact is we can only prioritize that which we are able to
5 (indiscernible) to the development community, but we
6 don't control what projects come in, and what plans are
7 developed, and what properties are purchased.

8 So we are looking to incentivize that, and to
9 broadcast that more because as you can see, we did not
10 get any proposals in the darker zone of the city, which
11 is the ones with the least amount of existing affordable
12 housing. And so that location criteria is going to get
13 greater weight in the next round of proposals that we
14 -- our request for proposals. And, really, it's a way to
15 ensure that the overarching vision and goal that Mayor
16 Bowser has is really able to be implemented at the local
17 level.

18 And then the last two slides are of projects
19 that have been developed using Housing Production
20 Development Trust Fund dollars.

21 And I will wrap up there. This is a great

1 project in the middle there, the top middle picture.
2 That's 100 percent permanent supported housing. It's
3 right on North Capitol Street, right just north of the
4 Capitol. And it really architecturally different, but it
5 also shows that homeless housing can be interesting
6 housing, and well-designed housing as well. So I commend
7 that, and I'm happy to answer any questions that you all
8 may have.

9 Thank you so much.

10 PRESIDENT BOWERS: Director, thank you so much.
11 And as we transition to Dana Johnson, I just want to say
12 that we all wear multiple hats, and certainly there are
13 times in audiences where I'm in with Director Donaldson,
14 and I'm one of the people who is out there banging and
15 saying more, more, more, more, more. But I will say also
16 you've got to give credit where credit is due, and
17 Director Donaldson, the Department, the District, Mayor
18 Bowser. The District of Columbia has been one of the
19 leading jurisdictions in the country in terms of what it
20 has done with this Housing Production Trust Fund in terms
21 of dollar amounts and in terms of leveraging. So I did

1 want to make one more time because there are just --
2 there are so many lessons to learn, and I'm sure the
3 Director would be the first to say it's not all perfect,
4 but it is really one of the leading examples in the
5 country. So we are honored to have you share Director
6 Donaldson with us tonight here in Baltimore.

7 So with that, Dana Johnson, I'm going to turn
8 it over to you, our President and CEO of Homes for
9 America.

10 MS. JOHNSON: Great. Hi, everybody. Thanks
11 for asking me to be here, and I'm really -- I really
12 enjoyed that presentation Polly. That was great. And I
13 think everybody probably is sitting here feeling a little
14 green with jealousy about a \$100 million trust fund.

15 I'll just give you a little bit of background
16 on me before I get started, and I should say I did not
17 prepare a formal presentation. I shared with Shannon
18 earlier I'm in the middle of two closings. So it's been
19 a little bit of a nutty day. But I'm really happy to be
20 here. My background is mostly in low income housing tax
21 credit, development, and investing. I've been on the

1 investor side. I was a developer for about 10 years, and
2 then I left to work at a community development financial
3 institution, which is a nonprofit banks, basically,
4 that's very active in Baltimore. And then left last
5 summer to come back to Homes for America as the
6 President. So I've been on the lender side, and I've
7 been in the development community, but mostly really in
8 the low income housing tax credit arena.

9 I would just start by saying that a lot of the
10 things that Polly talked about are really great words of
11 wisdom, and guidance for us, I think, because of a couple
12 things. One is -- and I really am speaking most about
13 these larger developments that are using low income
14 housing tax credits, and not about the smaller developers
15 that, obviously, are doing hugely important work as well
16 in the city. But in the low income housing tax credit
17 world, I would say that having a stable, consistent
18 revenue source that is predictable and transparent to
19 developers around calendar, and when NOFAs will be
20 coming, and just generally what the scale of the funding
21 available is, is very important. Low income housing tax

1 credit developers, these projects take years to go from
2 beginning of an idea or a site to a closing and a
3 completion. And so having the opportunity to see where,
4 if you're negotiating to acquire a site, knowing when the
5 city NOFA is, and whether that's something that would be
6 available that would be a fit for your project is really
7 helpful.

8 The second thing that DC has done, which I
9 think is also hugely helpful, is consolidating and having
10 a very holistic approach with the resources. Now, some
11 of those resources, since we are not our own state here
12 in Baltimore, we don't have control over the state low
13 income housing tax credit resources. And, thankfully, we
14 are in the -- here in the State of Maryland, lucky that
15 there are a lot of soft subsidy sources that are run by
16 the State. But having a better coordination with the
17 other resources that the City brings to housing
18 preservation and development is very important. And
19 having a home NOFA, and just having sort of an
20 overarching strategy set by both this group, but also the
21 City's Housing Commissioner, around what the priorities

1 are, and how all of these silos of money can work
2 together, and where there's a divide and conquer. Like
3 we're going to focus this resource on this set of --
4 these sets of goals. We're going to -- just having a
5 less siloed approach is, I think, very helpful for the
6 production of affordable housing.

7 The other piece that I think also has been a
8 little bit siloed is the voucher program. And now that
9 we have separated HABC and the Department of Housing and
10 Community Development, I think making sure those agencies
11 are working in coordination together is helpful. If you
12 want to reach those folks that are at 30 percent of
13 median or below, it's very difficult to do that without
14 rent subsidies. And so, I think, having coordination
15 with the resources and the processes at HABC is also very
16 important.

17 I want to also just touch on a question. One
18 of the questions was how can the Trust Fund capital be
19 used to leverage private banks, CFIs or philanthropic
20 capital? And since I had spent some time at a CFI, I
21 wanted to address that question. I think, yes, and we

1 didn't talk much about the Preservation Fund that DC has
2 set up, but that program took them, partners, resources,
3 from DC as leverage capital, and as credit enhancement
4 for CDFIs to then go and take that money, and be more
5 aggressive in their lending because there's a pot of
6 money sitting there that can help them in the event of a
7 Loss of the funds or the project going under.

8 So there are definitely examples in lots of
9 arenas where CFIs and public sector funds have worked
10 together in that way, and that really can scale up the
11 impact you're having. It would allow a lender to -- and,
12 I think, in the preservation case, those funds are really
13 useful in the acquisition of property. And it allows
14 developers to borrow, maybe, like 100 percent loan to
15 value instead of what would normally be maybe an 80 or 75
16 percent loan to value. And so it really can help,
17 especially in a housing market like Washington, DC, help
18 folks get site control from somebody who maybe doesn't
19 have any interest in preserving the property as
20 affordable housing.

21 And so I've seen lots of examples of that.

1 CDFIs do not generally have long-term loan capital, and
2 so it's great. They're great. Those funds are great for
3 pre-development, acquisition, things that are shorter
4 term in nature. But most low income housing tax credit
5 properties, you've got to have, if you're going to have
6 permanent capital in the project, it needs to be at least
7 20 years, in for at least 20 years, and most CDFIs don't
8 have a lot of long-term capital. So the leveraging
9 strategy is less effective in the low income housing tax
10 credit space as far as permanent debt.

11 And we don't have a huge gentrification problem
12 like Washington, DC, does in terms of -- although we have
13 had lots of -- there's plenty of examples of developers
14 really needing to jump on a property, and be able to
15 execute quickly to get site control.

16 I think, as I said, in the non-low income
17 housing tax credits where you're working with borrowers,
18 who are doing smaller projects, certainly some kind of
19 partnership with a CFI can help you meet some of the
20 other goals like working with emerging developers, credit
21 -- underwriting of folks who are newer in the business or

1 just have less cash on their balance sheet. In trying to
2 meet some of those goals, having sort of a leverage
3 strategy in partnership with a CDFI can be really
4 helpful.

5 And I would say there's -- at the moment, there
6 are three kind of real estate lending CDFIs that are most
7 active in Baltimore. That would be Reinvestment Fund
8 Enterprise, Community Loan Fund, and Baltimore Community
9 Lending. So if you wanted to kind of broach a
10 conversation with them, those are the three I would
11 recommend. Full disclosure reinvestment fund
12 (indiscernible).

13 I guess, the other thing I just wanted to say
14 is that I think there are potentially a lot of federal
15 resources coming to the affordable housing arena. And
16 David probably can speak much more to what was in
17 President Biden's plan for housing, and in the -- his
18 proposal for the relief bill. But one thing that already
19 -- and I say that because I think Baltimore is fortunate
20 in that they have a lot of very high capacity affordable
21 housing developers here in Baltimore, and I think a lot

1 of us in the industry are thinking that there are a lot
2 of other maybe new funding, and it's time to sort of
3 figure out what that pipeline might look like. Because
4 there might be more resources than we have had in the
5 last few years. Hopefully, there will be more home
6 dollars coming, and other things that are coming through
7 the City. And so I think it's important for the Trust
8 Fund and the City DHCD to really be prepared to sort of
9 coordinate and get money -- get money in, and get money
10 out. And one example of that is that -- I know David
11 knows this. That this bill in December that was passed
12 did a really technical thing, but a very impactful thing,
13 which was to fix the four percent credit rate. And that
14 impacts deals that don't go and compete in the state nine
15 percent round. Those are deals that are funded by tax
16 exempt bonds, and get tax credits outside of the round.
17 So it's much -- those are projects that can move on a
18 different timeline, but they -- and fixing the four
19 percent rate really makes all those deals work much
20 better because they're going to get more equity, and
21 they're going to need -- they're going to have less gap.

1 But the other thing that just happened is that the state
2 just announced their nine percent round a week ago or so.
3 I haven't -- they haven't -- they do phone calls. I
4 don't know why they don't just publish a list. But so
5 the list is not out yet, I don't think. But there were a
6 lot of projects. There were over -- almost 50
7 applications that they rated and ranked, and they funded
8 18. And that means there's a lot of projects that could
9 be sort of cued up and off to the races, if they have the
10 funds, and I know we have one in Baltimore City that did
11 not get funded, and we're now doing what everybody else
12 around the state that didn't get funded is doing trying
13 to figure out if it works for the tax exempt bond deal.
14 And the way that it will work is to have other subsidies
15 like funding from the city to fill those gaps between the
16 9 percent and the 4 percent application. And so if sort
17 of production and ability to sort of move is important,
18 that's something else to think about is that there are
19 probably -- not just ours, but there are others around
20 the city that also did not get funded with nine percent
21 credit. That, yeah, there may be opportunities to help

1 support some of those projects to get moving.

2 I guess that's it.

3 PRESIDENT BOWERS: That's great, Dana. Thank
4 you so much. Very much appreciate the insight, and
5 really appreciate your ability just like Director
6 Donaldson to bring your multiple perspectives from the
7 CRFAs into your current role as well.

8 We will now, adding clean-up for us here,
9 Executive Director Gerard Joab is the -- was the
10 Executive Director of Saint Ambrose. And so we really
11 appreciate your making time to be with us today, sir. So
12 we turn it over to you.

13 MR. JOAB: Thanks, David.

14 Thanks, Dana.

15 I'm the Director at Saint Ambrose. Saint
16 Ambrose is a 51-year-old organization here in the City of
17 Baltimore. We do a number of things in the housing
18 space. Two of the things that we do, two of the programs
19 that we're running are real estate in the real estate
20 area.

21 The first is single-family housing production.

1 We acquire, renovate, and sell an average of 30 houses a
2 year. Of course, this year we only did because of COVID-
3 19, we're only able to do 12. But our average is
4 generally somewhere around 30, 35. We own our own realty
5 company, and we do all of our sales through that company.

6 Second, the real estate area we're in is rental
7 housing. We own 310 units of housing. So we're a small
8 developer (indiscernible) properties. 181 of those
9 (indiscernible) in apartment buildings, and 129 of them
10 are in single-family homes that are scattered across
11 Baltimore City.

12 And that's probably the more challenging part
13 of it, but we are a small developer, a historic
14 developer, and probably more apropos to what you would
15 see in Baltimore.

16 I was charged with a task to talk about one of
17 our projects that we just finished completing the
18 renovation on, and that is our Union Avenue apartment in
19 Hampden. The renovation we started maybe three years ago
20 in planning, and it was completed in October of 2020.
21 Our property is a 54-unit apartment complex, one- and

1 two-bedroom apartments. We serve families that are below
2 60 percent of median income. And it's a wonderful,
3 wonderful place to live. It has great access to
4 community -- the community resources, wonderful
5 transportation, and folks really like it.

6 We own -- we acquired the building in 1986, and
7 we hadn't done a major renovation to the property. So
8 it's been a long time coming, and I think both the
9 organization, the community, and the residents look
10 forward to the improvements that would occur in that
11 facility.

12 So we started out with this with lofty ideas of
13 course as everybody does when we undertake a renovation
14 because we wanted the best for our residents. Our
15 development budget was \$5,500,000. Our construction cost
16 at the beginning was 1.9 million. And we had those
17 wonderful ideas, and from the get-go, we started
18 realizing that we weren't going to be able to fulfill all
19 of them to help our residents.

20 Some of the items that we had to address, that
21 we didn't get to address just from the -- while we were

1 doing the packaging of the financing, we started doing
2 some -- realizing we had to make some cuts. So we wanted
3 to replace the roof, and that was one thing we could not
4 do. We wanted to include solar panels, installation to
5 help our residents with cost. We weren't able to do
6 that. We wanted to do a major exterior site
7 beautification, and upgrade landscaping, lighting, and
8 (indiscernible) for kids that live there, and we weren't
9 able to do that. Major interior apartment finishes,
10 upgrade hardwood floors, those type of things, and those
11 were cut immediately at the beginning.

12 So our financing then went to home dollars,
13 which was just over a million dollars, a small grant from
14 a private entity, and then a mortgage of 4 -- just over
15 \$4 million. And that's what we had to work with as we
16 set this renovation up, long needed renovation
17 (indiscernible).

18 Some of the items that we had to postpone until
19 after development because there really wasn't enough
20 money that was in the budget. So we postponed the
21 replacement of windows, siding replacement, awning, and

1 the front of the building, the beautification type of
2 item. And we plan on doing that starting in the spring.
3 We will fund raise and utilize other resources to do
4 those items.

5 As planning and construction progressed, we
6 added -- added development costs occurred. The first was
7 the construction cost increases due to long lead items,
8 and planning for materials. And the cost of materials
9 went up between the year and a half or so while we were
10 planning before beginning construction, and we had to
11 account for that. Additional unforeseen items, like,
12 electrical, electrical upgrades, which we couldn't -- we
13 didn't know was there. It required a little more
14 electrical upgrades to the property. We had a challenge
15 with ADA compliance that came during -- that we were
16 advised about during construction, and that required
17 additional cost.

18 And then unforeseen construction work, which
19 always occurs. We had a contingency, a 10 percent
20 contingency around \$196,000, and that was used up, and we
21 added another \$31,000 to deal with some of the items that

1 we couldn't -- cost overrun, cost overrun that we had.

2 So we -- what we did was we -- the added costs
3 were offset by some value engineering that we were able
4 to do. Some of the items that we could do was utilize
5 some of the existing kitchen cabinets and other items
6 within the unit, things that we had replaced recently,
7 those remain. Deletion of major work for the apartment
8 entry doors, the entryway, deletion of work
9 (indiscernible) the rear doors. Reduction of the scope
10 of the work of exterior work, roofing and gutting,
11 downspouts and systems, et cetera, and deletion of some
12 of the work that we had planned on the parking lot just
13 to make things work.

14 I think that, as you can see, one you start a
15 development project, you never get there in the way that
16 you anticipate. So the more resources, the better it is
17 that you can serve the residents of the property
18 (indiscernible).

19 Our residents are our family to us, and we want
20 to have the best for them, and we want to see that they
21 get the best accommodations, and the safest place to

1 live.

2 The Trust Fund would certainly help in
3 alleviating some of these (indiscernible) provisions that
4 we had to make. Utilizing funding from the Trust Fund
5 would certainly fill the gap, and allow us to better
6 serve our residents.

7 PRESIDENT BOWERS: Thank you so much. We
8 really appreciate that, Gerard. Thank you for your
9 insights there.

10 Let me open it up to my fellow Commission
11 Members. We've got time for some comments or questions
12 that folks have for any of our presenters tonight as
13 we're thinking about insights on how to leverage dollars.
14 So the floor is open for Commission Members. Any
15 questions or comments?

16 MS. GUTHRIE: Hi. This is Ms. Guthrie. I just
17 want to thank all of the panelists for their
18 presentations. It was very insightful, and actually
19 inspiring, and generating hope over here. So I'm excited
20 right now. One of the things I wanted to ask, I think
21 Ms. Donaldson said about was the opportunity of kind of

1 addressing the silos of funds that are available on a
2 state level and a federal level for the Trust Fund. I
3 think that was Ms. Donaldson. I'm not sure. But that
4 really made my ears perk.

5 MS. DONALDSON: Yes. I think that might have
6 been -- well, we both addressed it in different ways.
7 The District is a unique government entity. It spoke of
8 how state functions, county functions, and city
9 functions. And so we really have just the one level of
10 government. So I don't have to negotiate with the state
11 housing agency because I am the state housing agency,
12 right? So it's what DHCD is. That said, we did find,
13 for example, in the first CARES Act that was passed for
14 COVID relief, DC was treated as a territory not a state.
15 And that really made a difference of many, many millions
16 of dollars, quite frankly, in assistance to the over
17 700,000 residents of the District.

18 But what I suggest is what we do in terms of
19 consolidating the resources, and you saw the list of the
20 various agencies, is that we have a written MOU that is
21 reviewed annually between the agencies that have

1 resources that can go into the consolidated RFP, and that
2 the Housing Production Trust Fund Board actually
3 participated in the creation of the first one. It was a
4 subcommittee of the Board at the time that really
5 strongly encouraged the agencies to pool their resources
6 so that projects would not have to go to four different
7 agencies, four different applications in order to get
8 resources such as what Gerald [sic] was describing with
9 Saint Ambrose with the services, dollars, and the
10 development, finance, and the operating subsidy. I will
11 say also that the opportunities that come from being
12 -- from what Dana Johnson was talking about with the four
13 percent floor with the four percent tax credit, we've
14 just closed one project last week that needed half
15 million dollars fewer gap financing dollars as a result
16 of that change in the law. So it's going to make a huge
17 difference in how you leverage your Trust Fund, and how
18 you select projects that are going to be able to take
19 fewer resources, but be able to do more. So I encourage
20 that kind of leverage on both of those fronts. And a
21 written MOU holds people accountable across

1 administrations.

2 MS. JOHNSON: I guess I just want to clarify
3 though that in Maryland there -- the big elephant
4 resources don't come through the State of Maryland
5 Department of Housing and Community Development. So all
6 the federal low income housing tax credits, and then a
7 lot of the soft funds are -- there's an application
8 round. They set the scoring criteria. And the city,
9 developers around the city, they apply for projects to
10 the city, and we develop in Baltimore, but we develop all
11 over the state of Maryland and northern Virginia. And so
12 they -- everybody around the state is applying. And I
13 would say that there have been swings in how the scoring
14 criteria work in the state of Maryland to -- for things
15 that favor city projects, among others probably to ones
16 that -- scoring rounds that really don't award a lot of
17 subsidy to projects in the city.

18 And so I do think it's important -- this is
19 not, this is not necessarily a task for the Trust Fund,
20 but it is important for the city administration to have a
21 voice when the state decides to change the scoring

1 criteria, which they do periodically. They will probably
2 be doing tweaking later this year. For the city to
3 really articulate what their needs are, and ensure that
4 the criteria that awards these very rich subsidies will
5 align with the city's priorities, and will ensure that
6 the city gets its share of those resources.

7 PRESIDENT BOWERS: Thank you all for that.

8 Other questions, comments from Commission
9 Members?

10 MS. SNOW: Hi. This is Shannon Snow.

11 So, Ms. Donaldson, I have a question for you.
12 At the beginning of your presentation you spoke about the
13 struggle that the DC Fund has had in spending half of the
14 funding for 30 percent and below. And I know that the
15 District also created the local voucher. So even with
16 that being created, and, yet, still struggling to get the
17 money out the door for 30 percent and below, what are you
18 guys looking at to be able to -- is it just increasing
19 funding for that local voucher or how are you looking to
20 increase that getting that money out?

21 MS. DONALDSON: Sure. And I'm not aware

1 actually -- can you tell me does Baltimore have a local
2 voucher program of that sort?

3 MS. SNOW: No. I think there's been a lot of
4 discussion about it, but, yeah.

5 MS. DONALDSON: The reason I say that is I was
6 actually in the nonprofit housing development sector when
7 the program was created, and there are actually two parts
8 to the program. There are tenant-based vouchers that are
9 used primarily by our homeless services agencies, and
10 housing families and individuals directly through a
11 tenant-based voucher that operates like a Section 8 or a
12 housing choice voucher. And the there's a project-based
13 -- project-based vouchers that are attached to specific
14 projects by application. And I think that over the years
15 it's really dependent on the whole budgeting process, and
16 really anticipating how many are going to be needed. And
17 we're looking at doing some revision on that in terms of
18 knowing that these are funds that go into the Housing
19 Authority budget, but at the same time, they also are for
20 development projects that are attached to the Trust Fund.

21 So it's a matter of really very careful

1 coordination, and at the origin -- in the -- at the
2 beginning of the budget process. And that's where we're
3 actually working right now to increase that coordination
4 even more.

5 That said, we -- the operating subsidy in and
6 of itself is not alone. It's also with the mix of units
7 and all, and the rents that can come in. But what we
8 have seen is, and, again, we rely on what projects are
9 developed and brought to us. In other words, so there's
10 a little bit of lead time that's needed that would help;
11 and I think knowing that there was going to be more
12 operating subsidy would be a big, a big help in that way.
13 It would be great if there were some federal resources
14 for that. And I know with the new, some of the new --
15 the ERA rent assistance that's in the late December
16 relief bill, and maybe there will be some in a President
17 Biden relief bill coming later this year. The question
18 of can any of that be used to help seed ongoing funding
19 or linking funding to projects? One of the problems is
20 that you need it to be a recurring revenue or recurring
21 item in the budget, and that really is one of the reasons

1 localities run into that. But the other option would be
2 to see more federal vouchers that could be linked to
3 projects, and that's also something being talked about at
4 HUD right now. So and within the administration. But,
5 yes, bottom line, operating subsidy is as important as
6 the actual gap financing as well.

7 PRESIDENT BOWERS: That's great. Thank you so
8 much.

9 Other comments, questions from Members of the
10 Commission for any of our guests?

11 Director Donaldson, I'm going to ask if you
12 wouldn't mind taking a minute to say a little bit more
13 about the Preservation Program, the one that has the
14 three to one leverage, and kind of the pros and cons or
15 the good, the bad and the ugly the Department's
16 experience with that. Because that notion of one dollar
17 leveraging three is pretty powerful when you hear about
18 it.

19 MS. DONALDSON: Sure. The Preservation Fund
20 came out of a series of recommendations by a very short-
21 lived strike force that was -- that Mayor Bowser

1 appointed in her second year in office that set about --
2 there actually was no preservation policy in the
3 District. Projects were funded, but there wasn't an
4 absolute goal of preserving across the board any
5 subsidized affordable housing, and there was no dedicated
6 resource either.

7 So the point of a leverage fund was to say
8 \$10 million of city money could leverage. And so by
9 having a solicitation for fund managers, and requiring
10 that three to one match of private capital, that then
11 basically leveraged \$10 million of city funds into a
12 \$40 million fund.

13 Right now, actually, because of --
14 appropriations several years, and because those funds
15 come back into the Preservation Fund, it has grown now to
16 be a parallel or twin \$100 million fund for preservation
17 specifically. And that's been terrifically helpful with
18 making sure that buildings that were under threat of
19 converting to market rate could be purchased, could get
20 critical repairs done.

21 I will say that the -- it is, again, on a

1 parallel track. It's also meant that the gap financing
2 we were able to fund more new production within the
3 Housing Production Trust Fund because we had that
4 separation Preservation Fund.

5 Now, one of the things you have to think about
6 it eventually those Preservation Fund loans are a shorter
7 duration, up to four years. So there needs to be some
8 plan for the takeout financing. And that is where Trust
9 Fund is one source, but not the only source. We've
10 actually had some philanthropy sources in the District
11 more so now; particularly, as we've been able to show
12 leverage in that way. And so either through a couple
13 institutions, JPMorgan Chase, among others, have been
14 investing dollars into additional financing that that,
15 again is not -- well, not necessarily loan dollars, but
16 philanthropy dollars, and we all know how important that
17 can be for just helping. I mean, the examples of what
18 the Director of Saint Ambrose was giving of what you have
19 to cut out, if you run out of some of those funds is
20 really critical.

21 So the Preservation Fund will continue to -- it

1 gets additional allocation, and will continue to
2 leverage. The leverage has been raised without any
3 issue. We added a third Fund manager this year. So we
4 have capital impact partners Lisk (ph.), DC, and the LIIF
5 Fund, L-I-I-F, Low Income Investment Fund, I think it is.
6 And I just call them LIIF. But anyhow, so but I think
7 thinking creatively about how to design that, and happy
8 to share resources and materials, if that's something
9 that the City of Baltimore would be interested in.

10 PRESIDENT BOWERS: I'm sure that could be very
11 helpful. And just so Commission Members are clear,
12 Polly, the source of that 10 million in the Preservation
13 Fund originally, was that appropriated dollars from the
14 General Fund or was that Trust Fund money in --

15 MS. DONALDSON: No. It was appropriated
16 separate from the Trust Fund. So it has different income
17 buckets, if you will, the distribution. Because it's
18 reflecting these are -- this is existing affordable
19 housing where some residents have gained income. And so
20 it's not as -- quite as restrictive as the Trust Fund
21 statutory guidelines. But, yes, it was done out of

1 appropriation as part of the budget process proposed by
2 Mayor Bowser.

3 PRESIDENT BOWERS: And, Dana, if I can ask you
4 a quick question, wearing actually two hats, right? Your
5 current hat and your prior hat. When you think about as
6 a CDF -- in the CDFI world, the pros and cons when you
7 think about working -- if the City of Baltimore were
8 going to contemplate either out of Trust Fund dollars the
9 strings it has to hit or out of General Fund dollars in
10 order to stretch the Trust Fund dollars. Any sort of
11 guidance you would have wearing your former hat as the
12 CDFI, and then as the developer, right? Are there things
13 that you would (indiscernible) for the Commission or the
14 Department to be thinking about in terms of if we want to
15 try to effectively stretch dollars with some either
16 General Fund dollars or Trust Fund dollars they need to
17 keep in mind?

18 MS. JOHNSON: I guess, I would say both, both
19 hats. Having a CDFI hat on, and having a developer hat
20 on, I think it would just be really important to really
21 articulate clearly what your goals are, and run at those

1 goals, and make sure that the leveraging and the fund
2 that you're setting up is really going to meet those
3 goals. Because you can spend a lot of time and energy on
4 setting up some fancy thing that's kind of complicated
5 and has multiple parties, and you could get to the end of
6 it, and you're, like, yeah, but we were able to go from
7 like 80 to 85 percent loan-to-value for these projects.
8 Like, you don't really -- you could spend a lot of time
9 and energy setting something up that doesn't really move
10 the needle. And so I think it's really important to
11 figure out what is the problem that you're trying to
12 solve with the Fund, and what's the best strategy to
13 accomplishing that goal.

14 PRESIDENT BOWERS: Right. Thank you.

15 So last call for Commission Members. We're
16 going to wrap the panel up here. Any final question from
17 any Commission Member?

18 Okay. Well, I really want to say a huge word
19 of thanks to Gerard Joab from Saint Ambrose, Dana Johnson
20 from Homes for America, and Director Polly Donaldson
21 coming back home from the DC Department of Health of

1 Housing and Community. Welcome back to her hometown.
2 Really appreciate all three of you all making and taking
3 the time tonight for us, and for your great insights.
4 And I'm sure there will be some follow-up with you all.
5 So you're welcome to stick around. It's a public
6 meeting. Or if you'd like to power out, we understand.
7 So thank you all so much. We appreciate you.

8 MR. JOAB: All right. Thank you.

9 UNIDENTIFIED SPEAKER: Thanks. Take care.

10 PRESIDENT BOWERS: Take care now.

11 All right. We'll move on in our agenda. Thank
12 you, Commissioners, for our departmental updates. And I
13 believe John Mobley is on the line, and I think I'm going
14 to look to John to maybe let us know who may be providing
15 some updates on a couple different issues from the
16 Department side.

17 MR. MOBLEY: Okay. So we'll just go ahead and
18 start with the financial update for --

19 PRESIDENT BOWERS: Hey, John, John, I'm sorry.
20 My apologies. Let me for the record let me have the
21 minutes reflect that Commission Member Matt Hill has

1 joined us. So he is present at our meeting. And so,
2 John Mobley, I turn it back to you.

3 MS. FREED: One thing, David, Ms. Kimball is on
4 the line as well.

5 PRESIDENT BOWERS: Great, great. So
6 Ms. Vernadine Kimball is here, Commission Member Kimball
7 is here as well.

8 Thank you.

9 MR. MOBLEY: All right, let's go ahead and get
10 started. Next -- first slide. All right. What we're
11 going to do is we're going to first talk about Trust Fund
12 revenue, then we're going to go over the expenditures.
13 Going to talk about what's happening with the Community
14 Land Trust currently, and then we'll talk about the rest
15 of the Affordable Housing Trust Fund. And we'll end up
16 with the new NOFA that has been posted.

17 Next slide, please. All right. Revenue
18 collected to date, year-to-date, for through FY '21
19 through December is \$19,554,000. You can see the year
20 breakdown. This is everything, which includes the DHCD
21 contribution, and the revenue that is shown collected by

1 the BRC report.

2 Next slide. So here's the breakdown how we
3 have for each of the years where the DHCD contribution
4 has come into play, and the revenue collected for each of
5 the individual years. That's how we came up to that 19
6 -- 19 5.

7 Next slide. All right. So here's the total
8 breakdown if we were to look at the tax revenues
9 collected, the DHCD contributions, and the percentage
10 split between the two, this is exactly how the pie is
11 made up when you look at the funds collected and the
12 contribution.

13 Next slide. All right. So December was a
14 month very different from November, but pretty much on
15 target with we found if we were to straight-line our
16 projection for the year. There were 15 transactions in
17 December 2020, and which accounted for a monthly revenue
18 of \$458,456, which means that we had an average
19 transaction recovery of about \$30,500 per transaction.

20 So when we gave the updated revised projection,
21 we straight-lined what we thought we were going to get

1 for the year, and we thought, initially, that if we were
2 to straight-line it, we'd get about \$433,000 for each
3 individual month just on a straight-line, understanding
4 that there would be some seasonality between the months
5 of what we recover.

6 Well, December 2020 was right on exactly where
7 we thought it was going to be. I mean, not right on. We
8 received \$458,456. But very close to what we straight-
9 lined projected an average month to be. Which leaves us
10 with an actual balance of \$3,455,961, and we expected
11 \$2.6 million at this point. So we're ahead of our
12 revised projection at this point year-to-date.

13 So we can see by a year-over-year comparison at
14 the end of FY 20 there hadn't been the -- at the end of
15 FY 20, there hadn't been COVID yet. But we can see what
16 it's like the for the beginning parts of FY 20 by
17 comparison to FY 21, July through December. We can see
18 the number of transactions. We're a little under in
19 transactions. Our average is down slightly. Total
20 revenue is down slightly. But, I mean, we're doing very
21 well by comparison to where we projected. We are right

1 on this month where we projected we would be, if we were
2 to average out the months. And we're -- if you could go
3 back one slide, back one slide. And we are above what
4 our actual revised projection was because we now have,
5 like I said, \$3.4 million. At this point with our latest
6 projection, we only expected to have about 2.6. So this
7 is very positive news, and we're -- I'm very glad that we
8 took action in order to revise the projection and budget
9 because it would have been very different what we're
10 seeing. So very good news.

11 Next side, please. Right. So the net
12 expenditures, commitments and balance. We have -- this
13 is what we've seen before. With the commitments that we
14 made as a result of the last Commission meeting, you will
15 notice the quite large increase for the commitments that
16 were made, which were nearly double, which are near about
17 double from what they were in the previous month, and
18 that's due to the discussions that we had last month,
19 during last month's meeting.

20 Next slide. Here are the Affordable Housing
21 Trust Fund uses and commitments that we have so far. We

1 have the pandemic homelessness response. We have the new
2 construction rental housing NOFA that's out. We have the
3 Community Land Trust awards, and the NOFA that is
4 currently out, and we are scoring right now. We have the
5 senior housing repair, that's what we talked about last
6 month, inclusionary housing, and the admin expenditures
7 as referenced on the previous slide.

8 Next slide. All right. So Community Land
9 Trust Consultant RFP. As you know, we had selected a
10 consultant, and what they're doing for us right now is
11 -- their current status is they're managing
12 (indiscernible) the CLT NOFA submissions. They're
13 creating -- helping us creating transactional documents,
14 helping us create agreements, and helping us manage and
15 inform the Review Panel so that way we can get to
16 creating awards.

17 Next slide. The Community Land Trust Single-
18 Family Homeownership NOFA applications are under review.
19 The Review Panel plans to make recommendations to the
20 DHCD Commissioner by the end of February.

21 Next slide. New construction preservation. We

1 are currently deal structuring. In deal structuring,
2 we're structuring deals, and determining schedules for
3 BOE approval submission process for the award that -- for
4 the projects that were awarded funds.

5 Next slide. Inclusionary Housing RFP. We, as
6 you know, we've gained a consultant, and we're working to
7 get Board of Estimates approval, and for the awarded
8 contract so we can get rolling on that.

9 This is the \$3 million that we talked about
10 last month to allow for weatherization and senior
11 homeownership repair, and homeownership preservation. We
12 are developing operating and spending procedures, making
13 sure that the accounting is right so that way we can
14 spend these funds, and get them out to our citizens.

15 Next slide. Now, this is the new part. So we
16 have posted on the Affordable Housing Trust Fund website,
17 the round two of the new construction and preservation of
18 existing rental housing NOFA. Summary info is posted on
19 January 21st. The NOFA amount is \$1.7 million. The pre-
20 proposal conference will be happening on January 29th,
21 and the submission deadline for this new, the second

1 round, is on March 5th. When this is put up online, you
2 will also have a link to the NOFA, but feel free to go to
3 the website right now. It should be up there, and
4 available to anyone.

5 And that's it for right now.

6 PRESIDENT BOWERS: Mr. Mobley, thank you.
7 Appreciate that.

8 Questions from Commission Members.

9 Actually, Mr. Mobley, let me ask you a couple
10 of questions on a couple of things I want to cover there,
11 and then open up to Commission Members for any other
12 questions. There was something that came up about the
13 Annual Report, and the Charter talks about the Commission
14 shall submit an Annual Report to the Mayor and City
15 Council on the activities and usage of the funds in the
16 Trust Fund with other language that follows. Can you
17 give us a status report on that?

18 MR. MOBLEY: Yes. One is being developed now.
19 There was some issue with the ability to obtain outside
20 accounting firm, and since that fell through, we had to
21 scramble a little bit in order to try to find what

1 exactly what it is we were going to do and present to the
2 Commission. Recently or -- recently, we determined that
3 we were going to do it internally, and it kind of fell on
4 our team in order to develop it. So it wouldn't be an
5 external thing. It became an internal thing. So the
6 goal is to have something to the -- our Executive Team by
7 the end of the week, and to you immediately following.

8 PRESIDENT BOWERS: Thank you on that. Another
9 question or issue that has come up has been we understand
10 that Councilmember Ramos introduced some language at the
11 Council around looking at some issues related to the
12 Trust Fund. Has the Department received anything
13 officially from the Councilmember's office related to
14 that or been engaged with the Councilmember's office on
15 that issue?

16 MR. MOBLEY: Well, we have received a little
17 bit of info, but I think that, I think that all the
18 people are more -- are better to speak towards that.

19 MS. FREED: So, David, let me chime in on that
20 one -- is the camera on?

21 PRESIDENT BOWERS: If you could identify

1 yourself just for the record so that --

2 MS. FREED: Sure. I'm Stacy Freed with the
3 Department of Housing and Community Development.
4 Councilwoman Ramos introduced a resolution requesting an
5 investigative and informational hearing on the Affordable
6 Housing Trust Fund. A date has been set for that
7 hearing. I believe, it's February 9th, but I will
8 double-check and send it to you. The purpose of the
9 hearing is for the Department to discuss the creation of
10 the Trust Fund to have the spending priorities
11 identified, revenue sort of -- revenue trends that John
12 presents at each of the monthly meetings, the NOFAs that
13 have been posted, the dollar amount of awards, and as
14 well as the recipients, and just sort of other general
15 information.

16 PRESIDENT BOWERS: And Stacy, for that is there
17 an expected role -- expected role or shall I -- for the
18 Commission, required role or expected --

19 MS. FREED: There's a required -- it's
20 interesting you mentioned that. There is a required role
21 for you as President. So the way, and this is off the

1 top of my head. The way the resolution is worded is that
2 it is the Commissioner of the Department and the
3 President of the Commission that provide -- that are
4 going to make the primary presentation. It's a public
5 hearing. So any member of the Commission, any member of
6 the public is certainly welcome to watch the hearing, to
7 participate in the hearing. I'll double-check and find
8 out if somebody is interested in participating what that
9 process is.

10 PRESIDENT BOWERS: Go ahead, Matt Hill.

11 MR. HILL: Yeah, hi. I'd like to jump in for a
12 second. I read it, the resolution from Councilwoman
13 Ramos as well. My memory is it was addressed to
14 Commission Members as well, but I'll have to go back and
15 double-check because it's been a bit since I read it.
16 But it is interesting that an investigative hearing being
17 announced from the very beginning of the council term.
18 So I would encourage, if possible, I think it might be a
19 good idea to have a working group just to have the
20 Commission be on the same page as DHCD, if possible, to
21 coordinate a bit around the presentation. Doesn't have

1 to be a large working group, but I think it's a good idea
2 because I think it was directed to Commission Members as
3 well.

4 PRESIDENT BOWERS: Yeah. In a language, as I
5 recall, it speaks to the President, the Department, the
6 President, and the Commission. What's interesting is I
7 know I -- it may be the way the rules are in the city,
8 things that are directed to -- the things are directed to
9 the Commission by a letter to the Department. But I --
10 maybe that's the way it's sent. But I haven't received
11 any correspondence or communication.

12 MS. FREED: We actually, David, we actually
13 just -- I mean, we just received the hearing date.

14 PRESIDENT BOWERS: Okay.

15 MS. FREED: So, I mean, just maybe just a
16 couple of days ago. So we just received the hearing
17 date, and we just received the information.

18 PRESIDENT BOWERS: Okay. Yeah. And I agree
19 with Matt that we -- I think, I do think that finding a
20 time to have some folks -- if there are folks from the
21 Commission, who feel like you're interested and mindful

1 of open law meetings requirements or restrictions, I
2 should say, if there are members of the Commission, who
3 are interested in being on a kind of working team to meet
4 with the Department and coordinate, who -- particularly,
5 if you feel like you intend to sign up to testify, public
6 testimony (indiscernible).

7 MS. FREED: I just received -- Stephanie
8 Murdock is our Department -- who is our legislative
9 liaison, is one of the participants. She just sent me an
10 e-mail. The hearing was announced for February 9th at
11 2 p.m., but that hearing date was announced in error.
12 And so the Councilwoman is going to be working with the
13 Chair of the Committee for -- to reschedule it.

14 PRESIDENT BOWERS: Okay.

15 MS. FREED: So once we have that information,
16 David, I'm happy to pass it on to you and the rest of the
17 Commission.

18 MS. ESTRADA: I just made Ms. Murdock a
19 panelist. So --

20 MS. FREED: Did you elevator her?

21 MS. ESTRADA: Yes. I put her on --

1 MS. FREED: All right. Great. Why don't we
2 -- since Stephanie is with us, she's the best person to
3 address this.

4 MS. MURDOCK: Hi everyone. Stephanie Murdock,
5 legislative liaison for DHCD. I've been listening in on
6 this very interesting meeting tonight. I used to live in
7 DC for awhile. So it was interesting to hear what
8 they're doing down there. The hearing was announced for
9 the second -- for 2/9. That's February 9th at 2:20 in
10 the afternoon. Councilwoman Ramos said that it was
11 announced prematurely in error. So she's working with
12 the Chair to have it pushed back a little bit. You are
13 right. The resolution does call upon the Acting
14 Commissioner as well as the Commission itself to come
15 before the Council. I'm happy to work with you all, and
16 work with John to coordinate our responses. This bill
17 was also assigned to Finance and HABC as well. So it
18 will definitely be good to have a multi-agency
19 conversation and conversation with the Commission
20 Members. And I will put my contact information in the
21 chat, but you can reach out to John as well.

1 PRESIDENT BOWERS: Thank you, Stephanie,
2 Ms. Murdock.

3 Are there Members of the Commission, who
4 believe you may want to testify, and in that case we'll
5 coordinate, and would want to also be a part of a kind of
6 working team to be in conversation with the Department at
7 the time?

8 MS. FREED: Yeah. I think that's something
9 that we'd want to discuss internally, and also discuss
10 within the Commission. It does specifically call the
11 Chair, but I don't think we need every Commission Member
12 to testify. I think it should be more of a coordinated
13 response. So --

14 PRESIDENT BOWERS: Sure.

15 MS. FREED: That's just my thought. We haven't
16 discussed it too much internally. It was just announced
17 last night at the City Council meeting.

18 PRESIDENT BOWERS: Thank you. I appreciate it.

19 Any Commission Members want to be a part of any
20 sort of pre-conversation?

21 MR. HILL: I'll join that conversation.

1 PRESIDENT BOWERS: Great. Thanks, Matt.

2 MR. HILL: Thank you.

3 MS. SNOW: I can as well, David.

4 PRESIDENT BOWERS: Thanks, Shannon. Appreciate
5 that.

6 What I'll do is -- thank you all.

7 Ms. Murdock, we'll coordinate them with you
8 (indiscernible) probably sooner rather than later just
9 because herding the calves from a scheduling standpoint
10 can get a little whacky. So we'll start trying to see if
11 we can identify a time that works for us and all to get a
12 conversation going, and whenever it gets scheduled we can
13 kind of be ahead of the game.

14 MS. MURDOCK: Sounds great. Thank you.

15 PRESIDENT BOWERS: Thank you. Appreciate it.

16 Commission Members, were there any questions
17 anyone had for Mr. Mobley on anything that he presented
18 or anything he didn't mention that you wanted to ask him?

19 MS. SNOW: Yeah, this is -- sorry. This is
20 Shannon Snow. John, I just wanted a clarification. When
21 you're saying year-to-date, the fiscal year is -- it's

1 July to June; is that right?

2 MR. MOBLEY: Correct.

3 MS. SNOW: Okay. So we've still go half the
4 year essentially.

5 MR. MOBLEY: Correct.

6 MS. SNOW: Okay. Thanks.

7 MR. HILL: And this is Matt Hill. Two quick
8 things. I think you already said this, but I might have
9 missed it, John. Did you say you put this on the
10 website?

11 MR. MOBLEY: I have not put this on the website
12 yet. I put the past month's, and I will put this one on
13 the website like the past month's one.

14 MR. HILL: Great. Thank you. And then the
15 Annual Report, when is that due to the Council?

16 MR. MOBLEY: It's due October 31st.

17 MR. HILL: Okay. Okay, so we -- okay. Got it.
18 All right. I think that's it. Thanks.

19 PRESIDENT BOWERS: I guess one of the questions
20 on the due date, the notion of the Annual Report of when
21 the clock started ticking, right. So is that from the

1 day the Trust Fund started, the day the Commission came
2 into being, the day the first funding came into being?
3 The interpretation to that. So, John, that October 30th,
4 is that kind of a -- some decision that's been made by
5 someone to say this is when the first report of the Trust
6 Fund Commission is due is the end of this fiscal year?

7 MR. MOBLEY: I didn't say specifically the
8 first one, but I believe in the Charter, it -- that is
9 the date that's mentioned for annual reports. So, I
10 mean, considering that this was a -- this is a beginning
11 of this --

12 PRESIDENT BOWERS: Right.

13 MR. MOBLEY: -- funding source, there might be
14 some leeway. But, however, we in the future we are
15 trying to make sure that we hit October 31st so there's
16 no confusion.

17 PRESIDENT BOWERS: Yep. Understood. Thank you
18 for that.

19 Other questions, comments anyone from the
20 Commission has for Mr. Mobley or the Department?

21 Okay. Mr. Mobley, thank you. Appreciate that

1 on that piece.

2 Ms. Estrada, we'll go to you. Are there any
3 public -- for the public comment section, session of our
4 -- tonight. Are there any public comments in the chat or
5 in the room that you're tracking?

6 MS. ESTRADA: So far I do not see any questions
7 from anyone.

8 PRESIDENT BOWERS: Okay. While we're making
9 time for that, let me -- if the public is listening, if
10 there is anyone who has a comment or a question you'd
11 like put in the chat, you're welcome to do so. We've got
12 a few minutes for that briefly.

13 Let me just say -- jumping to other business,
14 and we will come back because in the spirit of time. A
15 reminder, Stacy or John, wanted to see if there is any
16 update from the City in terms of either extending terms
17 and/or getting new members for the Commission. We know
18 there are some vacancies. We know that our terms
19 technically ended end of last year. So just checking to
20 see if there are any updates on that in terms of any
21 expressions of interest from Commission Members to the

1 Department to keep serving or any news from the new
2 administration?

3 MS. FREED: So, hey, David. I can answer that
4 one.

5 PRESIDENT BOWERS: Okay.

6 MS. FREED: I think as we talked, discussed at
7 the last meeting, all of -- all current council members
8 are seated until the Mayor has nominated and the City
9 Council has confirmed new a new Commission. We are still
10 waiting to hear from the administration how they would
11 like to do this. So we don't know what the process is.
12 Once we do, certainly happy to pass that along.

13 PRESIDENT BOWERS: Stacy, thank you.
14 Appreciate it.

15 And a reminder to Commission Members, again,
16 encourage if you have an interest in continuing service,
17 I would encourage you to communicate that to the
18 administration. And in like manner, if you're interested
19 in stepping back, right, stepping down, and kind of, hey,
20 you've put in your service, and now I'm ready to move on,
21 indicate that to them. I would encourage you to do that

1 as well. Obviously, the Mayor and administration will do
2 as they see fit, but I think if you have an interest in
3 continuing to serve, you'll want to communicate that. Or
4 if you know that you don't, probably want to do that too
5 because that can just help give them some data points as
6 they're thinking about things.

7 Stephani, anything in our public --

8 MS. FREED: I'm sorry. David, can I step --
9 I'm sorry. Can I --

10 PRESIDENT BOWERS: Sure.

11 MS. FREED: -- step I one more second?

12 PRESIDENT BOWERS: Um-hmm.

13 MS. FREED: So in addition if there are members
14 that are interested in being considered for a second
15 term, if they could also provide a letter of interest
16 explaining why they -- why they want to stay on, what
17 they -- what they'll add to the Commission, as well as an
18 updated copy of their resume, if they could send that to
19 me, that would be really helpful. I can put my e-mail
20 address in the chat box for folks, although I think
21 pretty much everybody has it.

1 PRESIDENT BOWERS: That's right. Thank you,
2 Stacy.

3 MS. JOYNES: And I have a question there. This
4 is Iletha.

5 PRESIDENT BOWERS: Yes, ma'am.

6 MS. JOYNES: When you say communicate to the
7 administration, who exactly is -- will we be sending that
8 to, that communication.

9 PRESIDENT BOWERS: Yeah, go ahead, Stacy.

10 MS. FREED: The Mayor's Office of Government
11 Relations has oversight for city-wide boards and
12 commissions. And just so we're -- everybody is on the
13 same page, this is the same process for every board and
14 every commission throughout the city.

15 PRESIDENT BOWERS: So the Mayor's Office of
16 Boards and Commissions.

17 MS. FREED: The Mayor's Office of Government
18 Relations has oversight for boards and commissions.

19 PRESIDENT BOWERS: Okay.

20 MS. GUTHRIE: This is Ms. Guthrie. To make it
21 a little easier and a little more seamless, can that

1 information just be forwarded to us via e-mail?

2 MS. FREED: Sure.

3 MS. GUTHRIE: Thank you.

4 PRESIDENT BOWERS: Thank you all so much for
5 that.

6 Any other questions or comments on that piece?

7 Okay. Stephani, anything in the inbox there?

8 MS. ESTRADA: No.

9 PRESIDENT BOWERS: Okay. Other business.
10 Commission Members, anyone have any other outstanding
11 items of business? Oh, I'm sorry. One other thing.
12 Related to what our agenda will be on the next meeting
13 forward, I will reconvene our group that have been kind
14 of the working group working on agendas for meetings. I
15 think we have standing meetings held on the calendar.
16 We'll probably reschedule because I think they got it a
17 little -- it's too close to when the next meeting is. So
18 we'll need to find something that's sooner than that, I
19 think, so we have some lead time. So for those who are
20 part of that working group, I'll look to try to find a
21 time that works for folks and earlier so we can plan out

1 what agenda we'll have for next meeting.

2 But any other business related to that or
3 anything else before we close from Commission Members?

4 MR. HILL: So this is Matt Hill. I wonder if --
5 and I'm sorry I missed the first half of the meeting with
6 the presentation that sounds like it was very interesting
7 and useful potentially for Baltimore, and I know there
8 have been -- there's been discussion in the past as well
9 about revenue sources and wanting to get back to what we
10 originally had projected for the Trust Fund at the very
11 least, and thinking about how to move forward and really
12 meet the needs in Baltimore. So my point is I wonder if
13 there should be a working group, and maybe we can
14 consolidate some of these working groups because I don't
15 -- I know we don't need more working groups than we need,
16 around leveraging, around revenue. Is there a way we can
17 start to follow-up on some of these pieces in a more
18 detailed way?

19 PRESIDENT BOWERS: Yeah. I think it would be a
20 -- well, before I make any comment on that, any other
21 thoughts, questions anyone has?

1 So, Matt, I do think that, well, given what we
2 heard tonight, it would be interesting to consider for
3 future meetings and conversations how to continue, drill
4 down on that. There are probably a couple other
5 outstanding issues as it relates to Commission
6 recommendations, and issues that could be dealt with in
7 some of these meetings for the Department; particularly
8 around, I think, leveraging is one for sure. Issues
9 around compliance now that money is actually starting to
10 move, right. So ensuring that there's infrastructure,
11 and what kind of suggestions the Commission may have for
12 the Department as it relates to that, and working in
13 collaboration there.

14 But, absolutely, I think we could pick up on a
15 lot of what we heard tonight, and see how we could work
16 through using the time wisely to really try to flush some
17 of that out for what may be able to -- some different
18 approaches to bring more resources to the table in
19 Baltimore for the Trust Fund. Or, as we heard tonight
20 from Director Donaldson, sometimes it may be dollars
21 directly to the Trust Fund or a separate stream of

1 dollars not to the Trust Fund, but that then allows Trust
2 Fund dollars to be stretched further, which has been a
3 creative approach in DC. So is that -- and I will say to
4 that point by way of -- so we will have some -- discuss
5 that in the working groups for sure.

6 I will say by, also by way of reminder,
7 Commission Members received this as part of the materials
8 for tonight's meeting. Everyone in the Commission
9 received a copy of the letter that was sent on behalf of
10 the Commission to the Mayor and members of the Council
11 about the need to expand the Affordable Housing Trust
12 Fund. So that was sent on December 22, 2020, to the
13 Mayor and members of the City Council. And that will go
14 into the official minutes when the final version will go
15 into the record for tonight.

16 Any other comments, questions?

17 Let me say then finally before we close two
18 last things. One, many thanks to, as always, to the
19 departmental staff, the Department staff, for all your
20 assistance in this. And related to that, we did get word
21 that Commission Member Jay Greene will be leaving the

1 Department. And so this will be his final time with us
2 here on the Commission.

3 So, Jay Greene, we want to thank you for your
4 service to the City, to the Department, and to the
5 Commission. We thank you for that.

6 MR. GREENE: Thank you, David. Much
7 appreciated.

8 PRESIDENT BOWERS: Very welcome, sir.

9 MR. GREENE: Been a pleasure working with this
10 Commission, and I think we've accomplished a lot
11 together, and I think it's poised to even do more and
12 better things in the future.

13 PRESIDENT BOWERS: Okay. Thank you so much.
14 We appreciate you. Appreciate your service.

15 So hearts and minds clear. It's 7:39 p.m.
16 This meeting is officially adjourned. God bless you all,
17 and stay safe.

18 (Whereupon, at 7:39 p.m., the meeting was
19 adjourned.)

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C E R T I F I C A T E

This is to certify that the foregoing transcript in the matter of:


AFFORDABLE HOUSING TRUST FUND COMMISSION

BEFORE: David Bowers, President

DATE: January 26, 2021

PLACE: (Webex)

Represents the full and complete proceedings of the aforementioned matter as reported and reduced to typewriting by Free State Reporting, Inc.



Roland Thomas Bowman, III, Reporter
Free State Reporting, Inc.