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BALTIMORE CITY DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT

AFFORDABLE HOUSING TRUST FUND COMMISSION MEETING

(Webex)

Tuesday, August 25, 2020

BEFORE: DAVID BOWERS, President

MEMBERS PRESENT:

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

Reported by:

Roland Thomas Bowman, III

1 Guest Speakers:

2 ALICE KENNEDY, Acting Housing Commissioner

3 BOB CENNAME, Budget Director

4 Also Present:

5 STACY FREED, Senior Advisor to Chief Operations Officer,
6 DHCD

7 STEPHANI ESTRADA, Project Coordinator, Affordable Housing
8 Trust Fund, DHCD

9 JIM MAJORS, Assistant Commissioner for Project Finance
10 and Development, DHCD

11 TISHA EDWARDS, Executive Director, Mayor's Office of
12 Children and Family Success

13 JOHN MOBLEY, Program Manager, Affordable Housing Trust
14 Fund, DHCD

15 DANTE FRANKLIN, Human Service Manager, CAP Center

16 CAROLYN WATSON, Community Aide/Admin, Affordable Housing
17 Trust Fund, DHCD

18 EBONY RECTOR, Project coordinator, Affordable Housing
19 Trust Fund, DHCD

20 KATIE YORICK, Chief of Policy and Partnerships, Homeless
21 Services

KEVIN NASH

DOROTHY REED

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1 PRESIDENT BOWERS: Matt Hill.

2 MR. HILL: Present.

3 PRESIDENT BOWERS: Matt Hill is present.

4 Shannon Snow.

5 MS. SNOW: Present.

6 PRESIDENT BOWERS: Shannon Snow is present.

7 Tisha Guthrie.

8 MS. GUTHRIE: Tisha Guthrie is present.

9 Vernadine Kimball. Vernadine Kimball.

10 Okay. Cindy Plavier-Truitt?

11 MS. PLAVIER-TRUITT: Present.

12 PRESIDENT BOWERS: All right. Cindy Plavier-

13 Truitt is present.

14 Jay Greene.

15 MR. GREENE: Present.

16 MR. GREENE: Present.

17 PRESIDENT BOWERS: Jay Greene is present.

18 1, 2, 3, 4, 5, 6, 7. So seeing seven members

19 present, we do have a quorum established. So thank you

20 all Commission Members for being here this evening.

21 I want to start again by welcoming everyone to

1 this month's meeting; thanking the Department staff for
2 your work in pulling us together; thank you Commission
3 Members for your time; and thank you to members of the
4 public, who will be listening in.

5 We will follow the Agenda as it is printed with
6 one or two minor exceptions. I'm actually going to at
7 this point, before we get into the approval of the July
8 notes, we've been joined by Acting Commissioner Alice
9 Kennedy.

10 And so, Acting Commissioner Kennedy, I want to
11 offer you an opportunity to bring words, greetings to the
12 Commission Members.

13 MS. KENNEDY: Thank you, David.

14 Good evening, Commissioners and the public that
15 is watching us. I just wanted to say thank you very much
16 for the hard work that you're doing on this extremely
17 important issue, and want to also say that from a
18 department standpoint, as well as a personal standpoint,
19 affordable housing is something that we are dedicated to.
20 We are dedicated as an agency. We are dedicated as a
21 city. And I am dedicated also in that work as Acting

1 Commissioner to keep things moving forward, and build
2 upon the strong work that the Affordable Housing Trust
3 Fund and the Commissioners have been doing since its
4 inception, and to keep that work going.

5 The staff at DHCD and -- has been working
6 closely with the Commissioners, and we're looking forward
7 to having things keep going, creating opportunities for
8 affordable housing for our residents, which is extremely
9 important to prevent homelessness, to provide
10 opportunities to preserve legacy affordable housing
11 across the City, and so many other things.

12 So I look forward to working with everyone, and
13 look forward to also being a part of further discussions
14 on all the issues that come up.

15 PRESIDENT BOWERS: Acting Commissioner Kennedy,
16 thank you so much for your words, and thanks for joining
17 us here this evening. We appreciate you showing your
18 support, and engaging with us this evening. So thank
19 you.

20 To Commission Members, we will now move on in
21 our Agenda to the approval of the July notes, minutes

1 from the July meeting. We will allow members, if you
2 have not already, a moment to review those. If there are
3 any suggested changes or edits, please let us know. And
4 if there aren't any, we will certainly entertain a motion
5 to accept it.

6 MS. KIMBALL: Just wanted to let you guys know
7 I'm here.

8 PRESIDENT BOWERS: That is Ms. Vernadine
9 Kimball.

10 Ms. Kimball, thank you. The record will
11 reflect Ms. Kimball is present. Thank you.

12 MS. KIMBALL: Thank you.

13 (Pause.)

14 MS. SNOW: So this is Shannon Snow. I move to
15 approve the July Meeting Summary.

16 PRESIDENT BOWERS: Shannon Snow has moved to
17 approve the Meeting Summary for July 28, 2020.

18 Is there a second?

19 MS. PLAVIER-TRUITT: This is Cindy Truitt.
20 Second.

21 PRESIDENT BOWERS: Shannon Snow has moved it,

1 and Cindy Truitt has seconded it. Is there any
2 discussion?

3 Okay. All in favor, please indicate by saying
4 aye.

5 COMMISSION MEMBERS: Aye.

6 PRESIDENT BOWERS: Opposed nay.

7 And any abstentions?

8 Okay. Thank you. The July 28, 2020, Meeting
9 Summary has been approved. Thank you so much for that.

10 Next on our Agenda, we will move on with the
11 question and answer session with Department of Finance,
12 the review of the revenue receipts, and how the surtax is
13 being administered.

14 We are joined this evening, we appreciate his
15 time, Robert Cennane, who is here, the Budget Director,
16 the Bureau of Budget and Management Research.

17 A reminder to Members of the Commission that we
18 sent over a summary document with the questions that were
19 submitted to Mr. Cennane. And I appreciate Members of
20 the Commission, who had submitted some of the questions
21 ahead of time for him. So what we asked Mr. Cennane to

1 come and respond to the questions that were submitted,
2 and then leave us any time for some dialog at the end of
3 his presentation.

4 So, Mr. Cename, welcome to the Commission
5 meeting, and we will turn it over to you. And, again,
6 Members of the Commission do have the document -- two
7 documents that were sent to you before this meeting.

8 MR. CENAME: Okay. Thank you, David, and
9 Members of the Commission. Again, my name is Bob
10 Cename. I'm the Budget Director for the City. And
11 tonight I'm representing the Department of Finance to try
12 to help answer some of the questions that came through to
13 us about various aspects of the Yield Tax, and certain
14 terms of how it's being administered, and what we're
15 seeing in terms of the data.

16 This was a joint effort, I want to say, just to
17 make sure folks on the Commission understand how the
18 difference in the roles in Finance and my role as the
19 Budget Director. I play more of a role on the
20 forecasting side. The staff that actually administers
21 the tax does not fall in my particular bureau, but we did

1 work with the Bureau of Revenue Collections and their
2 team in the Transfer and Recordation Tax Office just to
3 make sure we collectively understood how this is working,
4 and what they're seeing as well.

5 So if there's anything tonight, of course, that
6 I can't answer, I'll be happy to take those questions
7 back to the group there as well.

8 So I think the best way -- I have my notes in
9 front of me, your questions in front of me, and my notes,
10 and perhaps the best way to do it is I'll just go through
11 each of the questions, and kind of touch on some of the
12 points.

13 And, David, do you want to pause after each
14 question or you want me to get through all of them, and
15 then we can kind of come back to answers at the end?

16 PRESIDENT BOWERS: What I would ask, if for
17 Commission Members, let's allow Mr. Cename to work his
18 way through answers to the questions, and if folks can
19 make notes of any questions you have just to make sure we
20 get through all of them. And then we'll save questions,
21 a chunk of time, at the end for questions after you've

1 had a chance to power through.

2 MR. CENNAME: Sure. Okay. Sounds good. So
3 let's jump right into it. So the first question, which
4 is multiple parts, was basically just to walk through how
5 the Yield Tax is assessed and collected.

6 So, first, in terms of who calculates the tax,
7 it's calculated by, like I said, it's the Bureau of
8 Revenue Collections, and the staff they're called tax
9 transfer clerks. And, Part B, is there a form used for
10 the calculation on this? The answer is, no. Basically,
11 what happens is when the information is brought from the
12 title companies, the clerks have to go through the
13 information, and they do have to calculate the tax
14 manually for lack of a better word using either Excel or
15 a calculator.

16 The way it works is the clerks are trained
17 first, of course, to flag anything that's over
18 \$1 million, which is the criteria. Their first step is
19 they calculate the, what I'm going to call the base or
20 the General Fund Transfer Recordation Tax first.

21 So, of course, those rates are the 1.5 percent

1 for transfer, and 1 percent or the equivalent of 1
2 percent for Recordation Tax.

3 Then they multiply the amounts of that tax by
4 the 40 percent and the 15 percent to generate the
5 additional Yield Tax that then gets put into a separate
6 account, and entered into a separate budget account
7 number just to make sure that the funds are not
8 commingled.

9 If you're looking at the consideration value as
10 a whole, the math, of course, is the 0.6 percent, and
11 then the 0.1 for the transfer, and 0.15 for the
12 recordation. But the way the clerks do it is because
13 they're working off the way the law is written, they
14 first calculate the base Transfer Recordation Tax, and
15 then they apply that percentage of 40 percent and 15
16 percent.

17 Part 1D. So the question was that the City had
18 previously relied on the State to collect the City's
19 portion of the recordation tax. And it was June 1, 2011,
20 that we actually started doing that ourselves. And the
21 reason was it was just we paid a service fee to the State

1 to process those for us. And back in that day we decided
2 to pull it in-house for a little bit of savings on the
3 administrative side.

4 So Question 2 gets more into the -- in terms of
5 the transactions, and what we've seen over the first year
6 or so of this tax. So and the question as I read it was,
7 why was the projection that we had when the bill response
8 was done, why was it higher than what we're seeing so far
9 today? And just to discuss any other trends that are
10 going on with the tax.

11 So I'd first say, we have seen a decline -- a
12 lower Yield Tax revenues than what were forecast. And
13 the bill response, which our team did a lot of work on,
14 was looking at Fiscal '16, '17 and '18. And what has
15 happened is the decline in I'd say lower Yield Tax
16 revenues, it has coincided with the decline in our
17 overall Transfer and Recordation Tax base. So we
18 collected on average about 90 -- and, again, that's the
19 money that comes directly to the City's General Fund. We
20 collected on average about \$90 million in Fiscal '16,
21 '17, '18 and '19. But what we're seeing in Fiscal '20,

1 which for us is July 1, 2019 through June 30, 2020, is
2 that even in our regular Transfer Recordation Tax
3 revenues for all transactions, we're expecting to end at
4 only about \$78 million for Fiscal '20. So we are much
5 lower in Fiscal '20 than we were in Fiscal '19. That's a
6 decline of about 13 percent versus, again, that average
7 of 90 million over those other -- those previous four
8 years.

9 When we did the bill report for the Council for
10 the bill that passed, it was pretty clear that the years
11 that we were dealing with were better than average. They
12 weren't the best years we've had in terms of receipts and
13 transfer and recordation, but they were a little bit
14 better than average. And so far for Fiscal '20, we've
15 kind of come back down to what looks like an average
16 year.

17 The Yield Tax in itself, I want to make sure I
18 emphasize this again, is that the Transfer and
19 Recordation Taxes, in my experience from having been here
20 for almost 15 years now, just even the regular Transfer
21 and Recordation Tax is by far one of the hardest revenue

1 sources to predict. It's because it's based on, of
2 course, real estate transactions. It's very volatile.
3 We see it drop off very quickly during times when there's
4 issues or fear in the housing market. We see it rebound
5 quickly when there's interest or when interest rates
6 decline, and there's a lot of activity in the market. So
7 it really does change quite a bit, and is largely out of
8 our control.

9 On top of that, the Yield Tax, especially, is
10 on a very narrow subset of transactions. So you're
11 talking about a small subset of the most volatile revenue
12 source, and trying to forecast that. So it is a
13 challenge for us.

14 When I looked at the Yield Tax estimates that
15 we used in prior years versus what we're seeing so far in
16 Fiscal '20, for the bill report that we had done before,
17 we were averaging about, call it, 300 transactions that
18 qualified for over a million dollars per year in those
19 years between 2016 and '18. That's an average of, call
20 it, 25 or so a month. In Fiscal '20, looking at the data
21 that you had sent over that we all collectively receive

1 from our system, there were an average of about 19 or 20
2 transactions per month. So we are lower on the number of
3 transactions, and definitely would acknowledge that is a
4 -- it's almost a 20 percent decline in the number of
5 transactions that we've seen, but it's not necessarily
6 inconsistent with what we're seeing in the broader
7 marketplace in terms of Transfer and Recordation Taxes
8 and transactions overall.

9 What also can affect the revenues wildly is the
10 dollar value of the transactions. And so on the Yield
11 Tax especially going back to Fiscal '17, for example, we
12 had one transaction that year that was worth -- it was
13 \$142 million, just one transaction. In Fiscal '18, we
14 had one transaction that was \$242 million alone. And so
15 those very high outlier transactions tend to have a
16 pretty big impact on the volume as well. We haven't seen
17 in the data that I looked at for Fiscal '20, we've had a
18 handful that were over 100 million, but nothing that was
19 as high as what we saw in Fiscal '17 and '18.

20 So I would say general in terms of -- to
21 summarize that question is we have seen a decline in

1 general transactions on just Transfer and Recordation
2 Taxes overall. There has been a similar decline on the
3 Yield Tax. And there has been, it looks like, just a
4 lower value, generally, of transactions in Fiscal '20 so
5 far on the Yield Tax.

6 I don't know if folks on the call have seen the
7 July data yet, but it looks like, which I'll come back to
8 later, but it looks like July was a much stronger month.
9 And, again, I don't know if folks have seen that data
10 quite yet, if it's been shared. But it looks like the
11 activity did pick up in July as well, which is good news.

12 Question 3 was about the Maryland State law
13 that tried to put a control on these transactions that
14 were what they call controlling interest in any company
15 where the primary business is valued over a million
16 dollars. And going back to that law, that was passed in
17 2008. The thought at the time was that there were some
18 entities that were trying to avoid the Transfer and
19 Recordation Tax. So they would just transfer their
20 interest in an entity, and they would try to avoid the
21 tax. This particular law corrected that. And since

1 then, we have seen there are very few transactions that
2 go through that particular process.

3 The Yield Tax is levied on those transactions.
4 However, those do not show up on the report that you have
5 today. We get a report from the State on those
6 transactions because the State receives the information
7 on any of those transactions that are transferring
8 interest from one entity to another. And then they remit
9 the tax back to the city. And when the Yield Tax passed,
10 we did notify the State that, hey, we were of course
11 still expecting our regular Transfer and Recordation Tax
12 on any transactions, and that there's an additional
13 assessment that would be due on anything that was over
14 \$1 million. But I want to stress that since 2008, when
15 that law passed, we've seen very, very little activity in
16 that particular side of the business. There's a pretty
17 good report, if folks are interested, too. There was a
18 State report of all of the transactions that have -- that
19 qualify here that are taxable they listed. It's on
20 SDAT's website. And it looks like it was last updated a
21 couple of years ago, but there was only about, if I'm

1 remembering, about 250 or 300 transactions at that point
2 since the law had passed, and that was State-wide. So
3 that just gives you an idea that there's usually -- we
4 see very small amount of revenues and very few
5 transactions that we get from the State that went through
6 that process. And, again, part of that is because the
7 law was intended to clean it up, and to prevent, or at
8 least to disincent people from going through that process
9 to try to get around the tax.

10 But, again, to answer Part 3C, no, they are not
11 on that sheet, and we can follow-up separately when we
12 get information from SDAT on those transactions, and
13 report those separately, but they don't show up in that
14 system.

15 Question 4 is about how COVID is impacting us
16 on this particular source. And as I said before, this
17 source is very difficult to forecast. What we can tell
18 you at this point is looking at data through the end of
19 Fiscal 2020, April and May for us on residential
20 transactions were lower than the prior April and May.
21 June was actually higher on -- at least on the

1 residential side on Transfer and Recordation transactions
2 than the prior June. And July looks like it was also a
3 really strong month.

4 Now, again, we're only looking so far at
5 residential transactions, which there's very few of those
6 that did apply for this tax. But just to give you a
7 sense of market activity, we have seen things pick up in
8 June and July, and a lot of that, I'm sure, is because
9 interest rates are just rock bottom now. I mean, we're
10 seeing interest rates for like a 30-year mortgage that
11 are under three percent, which is really just insane and
12 really historic when you think about it.

13 Like I said, you will see some July data come
14 through shortly, if you haven't already, that the
15 activity on the greater than \$1 million transactions did
16 pick up in July, which, again, is consistent with what
17 we're seeing on our base Transfer and Recordation
18 receipts.

19 Question 5 was can Finance mark on the
20 spreadsheet document in the Yield Tax whether the
21 transaction was recordation only? The answer to that is,

1 yes. We did talk about that internally. We understand
2 looking at the sheet why there would be a little bit of
3 confusion. The Bureau of Revenue Collections did make a
4 request to our Information Technology Department to add
5 some kind of simple yes or no field when they're actually
6 keying the information into the system. And so they will
7 add that. I don't have a date of when that will be
8 ready, but they are working on that as we speak.

9 One way, in the absence of that particular
10 screen or that field, one way to quickly figure out if a
11 transaction is recordation only is if you take the
12 consideration value and -- or divide the final amount tax
13 paid by the consideration value, the only thing that
14 shows up is 0.15 percent is recordation. Anything that's
15 0.75 percent is transfer plus recordation. Then anything
16 that's different has an explanation behind it.

17 In Question 6, you had asked me to kind of walk
18 through a couple of the calculations on the Yield Tax to
19 explain why some of them don't line up real nicely with
20 that; either that .15 or that .75.

21 So the first one was transaction was on Line

1 207. The consideration value was \$29.2 million. The
2 Yield Tax was \$43,807. This one was pretty
3 straightforward. It was a Deed of Trust for 112 North
4 Eutaw. It processed for recordation only. So it was
5 taxed on the full amount of the loan. The base
6 Recordation Tax was calculated at 1 percent. So we took
7 the 29.2 million times 1 percent. That gets you to
8 \$292,050. And that amount was multiplied by 15 percent,
9 which gets you to 43,807. So that one is a good example
10 of a classic recordation only transaction.

11 And, by the way, I can send my notes over after
12 this call just so you guys have a record of all these,
13 just if you miss the math as I'm going through it.

14 Question 6B, which was Line 248, this one was
15 one that's a little bit trickier. And so this one had a
16 consideration value of 70 million, but the Yield Tax
17 generated was only 23,697. And the reason for that is
18 that when we process these, we can't tax the full loan
19 amount. We can only tax the new money that's been added
20 during the refinance. So if we don't do that, we end up
21 double taxing or taxing something that already came

1 through the system earlier. So in this particular
2 transaction, the full loan amount was 70 million, but we
3 had to subtract \$54.2 million of unpaid principal
4 balance, which had already come through the system and
5 had been taxed earlier. That left us with a taxable
6 transaction of only \$15.8 million. And doing the math
7 there, if you do the base Recordation Tax at 1 percent,
8 gets you to \$157,980. And then, again, multiplying that
9 times 15 percent per the rules, gets you to the 23,697.

10 And then 6C was exactly the same. This was
11 another transaction where we could not double tax or re-
12 tax something that had already come through the system.
13 So we can only tax the new money on a refinancing. So
14 same situation as -- and here we had to subtract out of
15 the \$24.5 million on the consideration value. We had to
16 take out the unpaid principal balance, which brought us
17 to a taxable transaction of only \$593,000. And, again,
18 doing the math on that, the Yield Tax ended up being only
19 \$891.

20 So I notice the last question kind of asked
21 about why do some kind of fall outside of the normal what

1 you would expect? And that's the primary reason is that
2 not every transaction is the full consideration value of
3 the taxable amount.

4 We try to put some notes in the system. This
5 has been a -- in the comments section on the right, if
6 you look at those, sometimes you'll see a comment that
7 says taxable amount of X times whatever equals Yield Tax.
8 So we're trying to improve the notes we put in there so
9 that they're clear. But the system does ask you to
10 actually put the full consideration value into the
11 system, and then put a note to say what the taxable
12 amount is.

13 In terms of -- next question was Number 7. How
14 many transactions have been deemed exempt pursuant to
15 Section 17.1, and what was the lost revenue? So I will
16 send over -- we did pull together a list of those. I'll
17 send those in my written comments today. There have been
18 21 transactions so far that were exempt, and each of
19 those comes -- per person, per the law, has to sign an
20 affidavit and say this transaction was in the process
21 when this bill was being debated.

1 The total value of those transactions or the
2 consideration value, at least, is \$32 million. So in
3 terms of what the lost revenue is, if we assume that all
4 of them would have been -- would have had to pay both the
5 Yield Tax on the recordation and the transfer side, that
6 would be about \$240,000 of lost revenue.

7 And, again, I'll send a list of those
8 properties so that you can see them and the consideration
9 value. And they're all filed. They have an affidavit on
10 file with revenue collections.

11 Question 8. In terms of regulations or
12 memoranda or policy statements from Finance, there is a
13 document that we use for training that we use for the
14 public. So we will attach that in my written comments
15 tonight. I can send that over.

16 Question 9. And, again, Question 8 really just
17 goes through the calculation that I described at the very
18 beginning in terms of how we calculate the tax and how
19 it's done. It mimics that.

20 Question 9, the Cross Keys Center. So question
21 was it's about to undergo a significant redevelopment.

1 Do we have an estimate yet on what the revenue looks like
2 from that? So in the latest report, you'll see a
3 transaction related to Cross Keys. So we know that, I
4 believe, it was Caves Valley bought the property at Cross
5 Keys. It was \$27 million. They bought the assets there.
6 They may have said publicly that they're planning to do
7 more redevelopment, but we still don't know exactly what
8 that will look like. But the transaction just to
9 purchase the property was \$27 million. It was recorded
10 on July 31st, and it generated \$202,000 of Yield Tax.
11 You'll see that in the next report that comes through
12 that has the July data.

13 10th question was during the legislative
14 drafting -- did anybody to our knowledge come through and
15 actually pay the intended amount? The answer to that is
16 no.

17 And then the final question was Question 11
18 about looking at the spreadsheet and the different
19 columns, and trying to figure out why things kind of fell
20 outside of what the normal rates should be. I think I
21 answered that, hopefully, in Question 6, above, that

1 there are a significant number of transactions that have
2 a taxable amount that differs from the consideration
3 value. And, again, those are usually for refinancing
4 where we can only tax the new money on the transaction.

5 So I can pause there, and if folks have
6 questions, I'm happy to try to answer here or, as I said,
7 to follow-up, if I can't give you a good answer.

8 PRESIDENT BOWERS: Thank you so much. Very
9 much appreciate that thorough walk-through.

10 We've got time on the Agenda now for Commission
11 Members, if anyone has questions or comments,
12 observations based on the presentation from Mr. Cename.
13 Don't forget to take yourself off mute, if you're trying
14 to add in.

15 MS. SNOW: Hi. This is Shannon Snow. Thanks
16 for the presentation. And I just want to clarify that
17 for those transactions where it's not clearly 15 percent
18 or the 75 percent that that is -- is that always due
19 because -- to a refi, and you're just taxing on the new
20 money? Is there any other situation where that -- those
21 percentages would be off?

1 MR. CENNAME: So that -- my understanding is
2 that is the primary scenario. There could be other
3 scenarios. I'm not familiar with any others, but there
4 could be others. We have a representative in our Law
5 Department, who I think has spoken to the Commission
6 before, Jack Meacham (ph.), who goes over and looks at
7 all the transactions, and just checks to make sure that
8 our folks haven't missed anything. But, primarily, if
9 you go through the notes, you'll see that a lot of those
10 ones that are different say that there was a -- that it's
11 a refinancing where there was new money, and we had to
12 subtract that from the unpaid principal balance. So that
13 was just from our conversation. That seems like the
14 primary one. I can't say that there's never another one,
15 but that seems like the bulk of the situation.

16 MS. SNOW: Okay. Thanks.

17 MR. HILL: Bob, this is Matt Hill. Thank you
18 for such a thorough presentation. I really appreciate
19 it. It's really helpful to see that level of detail.
20 And I think this is still a -- you may not have an answer
21 for this. I think it's still kind of the question that

1 keeps me puzzled. And it's just the decline -- going
2 back to the -- you said that there was a -- essentially a
3 13 percent decline in FY 2020 in projected Transfer and
4 Recordation Tax. And that certainly with the pandemic
5 and a slowdown in real estate transactions from March
6 through June at the very least, I'm sure that accounts
7 for some of that. But I think over that same period
8 you're looking at like a 35 percent decrease in the Yield
9 Tax. And I hear what you're saying about being a more
10 volatile tax, but it just seems like a significant
11 decline from prior years, which were somewhat consistent
12 over three years in terms of what you all had said would
13 be the projected revenue.

14 So I wanted to know if you have any
15 speculations as to why that discrepancy between the
16 reduction?

17 MR. CENNAME: Yes. So, thanks, Matt, for the
18 question. So, I'll tell you, as much as it's bugging you
19 guys, it's bugging me too because remember that those
20 huge multi-million dollar transactions that's General
21 Fund revenue as well. So that's something that we spend

1 a lot of time looking at.

2 I think there are -- just on the data there are
3 two things that we notice, and that I can speculate a
4 little bit about what I think might have happened. So in
5 terms of the number of transactions on transfer
6 recordation as a whole, yes, there was about a 13 percent
7 decline in the transactions from Fiscal '20 for versus
8 that average of the last couple years. If you just look
9 at the Yield Tax transactions, we were using an average
10 of, like I said, about 25 per month for -- again, 300 for
11 the year or so, divide that by 12, about 25 per month.
12 When I look at Fiscal 2020, there were 232 transactions.
13 That turns out -- that's an average of about 19 or 20 a
14 month. So, yes, there was a decline, and that's a little
15 bit more than a 20 percent decline, a little bit more
16 than what we would have expected just based on overall
17 Transfer and Recordation Tax. But, again, I would say
18 they kind of usually they're actually going in the same
19 direction, but the commercial, the high value commercial
20 stuff is a whole another ballgame, and doesn't -- isn't
21 necessarily completely consistent with what we see on the

1 normal residential market.

2 The other thing is those high value
3 transactions do make quite a difference. So if you go
4 back and look at the data from, like, 2017, again, there
5 were some, like, just really, really large transactions.
6 The one -- was in Fiscal 2018. The \$242 million one was
7 the transfer of a building in northwest Baltimore. It
8 was the Social Security Administration Building.
9 Building changed hands. And so you do get some
10 occasionally that were in those years that were -- we got
11 some really big transactions in those years. We haven't
12 seen anything match that yet in Fiscal 2020. So I hope
13 we do. We don't really get much, we don't really get
14 much notice on those. We often learn about those
15 probably the same time most others do. Some of them are
16 private sales. We look at MRIS data and CoStar data to
17 try to get a handle on what's going on in the market.
18 But those are really outlier transactions that are just
19 kind of the luck of the draw.

20 In terms of speculating, I have no -- I've
21 asked a lot of people this because our team has been like

1 is there something going on? I -- one theory I had and,
2 again, this has no evidence to back it up to be very
3 clear, but one of our theories at one point was interest
4 rates have been low for a really long time. So you think
5 that if somebody was going to refinance something maybe
6 they just have refinanced it already, and maybe the
7 market for that has kind of dried up. Because interest
8 rates have been historically -- even before the pandemic
9 and what we're seeing now, interest rates have been
10 pretty low for a long period of time, making it
11 definitely advantageous for people to potentially
12 refinance. The thought I had was maybe that has just
13 dried up. Maybe it was like if you were going to
14 refinance one of those big projects, you've already done
15 it. And, of course, two months later here we are, and
16 interest rates are like two percent lower than they were
17 even at that historic low level. So I'm not sure if that
18 is a potential answer, but if that is the case, we're
19 hopeful that the really extraordinarily low interest
20 rates will get people back into the market. And, like I
21 said, we've kind of seen that happen in -- so far in June

1 and July. So but I've asked a lot of, like, way smarter
2 people than me that are in the real estate -- people that
3 we kind of contact, and when do our projections, and a
4 lot of them are kind of puzzled too. So but I, again,
5 when I look at the data it's not like we're way off.
6 It's not like we're in half. I mean, the transactions
7 were a little bit lower this year, but not way off. And
8 I think those high dollar transactions do, of course,
9 have something to do with it, which are almost impossible
10 to forecast.

11 Does that help answer or get you closer?

12 MR. HILL: Yes. Thank you.

13 MR. CENNAME: Sure.

14 PRESIDENT BOWERS: Any other Commission Members
15 with comments or questions?

16 MS. GUTHRIE: Hi. This is Tisha Guthrie again.
17 I just wanted to echo Shannon Snow and Matt Hill with
18 really just offering my thank you for the presentation.
19 I'm beyond a lay person, and sometimes the numbers can be
20 a little intimidating. And trying to fulfill my function
21 as a -- Commissioner, trying to really understand as much

1 as possible. So this was very, very helpful. And,
2 again, thank you very much.

3 MR. CENNAME: Sure.

4 PRESIDENT BOWERS: And a reminder to Commission
5 Members. The July report, revenue report, was sent out
6 with some of the go-ahead materials from Ms. Estrada. So
7 we do have that as well.

8 Oh, go ahead.

9 MR. CENNAME: I think you'll be pleased --
10 because the activity was pretty strong in July. So we
11 were, we were definitely excited to see the activity pick
12 up.

13 PRESIDENT BOWERS: So last call. Any
14 questions, comments for Bob before we move on?

15 MR. GREENE: I have. This is Jay Greene.

16 PRESIDENT BOWERS: Yes.

17 MR. GREENE: One topic that I'd like for you to
18 touch upon, Bob, and we just recently approved a spending
19 plan for '20 and '21. And the Department kind of made a
20 rough estimate of what we thought revenues may be in FY
21 '21, and it was based not on any sophisticated

1 information, but just basically kind of a math formula
2 that we looked at the revenues from the previous year,
3 and applied a discount factor.

4 MR. CENNAME: Right.

5 MR. GREENE: And so I just -- if you can just
6 kind of give your view of what you -- if you think that
7 estimate is reasonable for next year, and that we based
8 our spending plan on. If you think we need to revise it
9 in any way. Thank you.

10 MR. CENNAME: Can you remind me, Jay, what was
11 -- what did you guys land on in terms of the spending
12 plan in terms of total dollar amount?

13 MR. GREENE: John, are you on the line? John
14 Mobley I think it was

15 (Phone interference.)

16 MR. MOBLEY: -- and it was essentially -- the
17 prior year and discounted it by 25 percent.

18 MR. CENNAME: Okay. So I can comment on that
19 from the perspective of the volatility of the source.
20 It's the same thing when we're trying to budget in the
21 General Fund. So I think one rule you might use as you

1 build up some more data. So just as an example, in the
2 General Fund for Transfer and Recordation Tax, we budget
3 the next year's number based on a moving average of the
4 last five years. And the reason we do that is because
5 there is so much volatility in the market that we don't
6 want to get ahead of it. Like, we don't want to over
7 budget that revenue source, and be relying on that
8 revenue source or be budgeting for that revenue source to
9 have to pay for some City service that we can't support.
10 So I think what you're describing to me sound like a good
11 first kind of crack at something to kind of take what you
12 expect, and just kind of take it down a notch to make
13 sure that you don't have a spending plan that's not able
14 to be supported. Of course, all the revenues are going
15 to go into the Fund. If you do better, they're going to
16 go into the Fund anyway, and you're going to be able to
17 spend them eventually. But I think that sounds
18 reasonable in terms of how to kind of develop your
19 spending plans.

20 As you build more data, as we build more data
21 over the next couple years with this, you could shift to

1 some kind of model where you use a moving average with a
2 little bit of conservatism built in just to make sure
3 that you don't over-shoot.

4 But for you guys, all the money that goes
5 directly to the Fund eventually. So if there is excess
6 revenues that come in beyond your spending plan, it's
7 still going to you for affordable housing.

8 On the General Fund side, we're a little bit
9 more conservative because, again, we don't want to have a
10 service that we have to support that's supported by
11 transfer recordation, and see a rapid drop-off. And just
12 for perspective, even over the last 15 years we had one
13 year where the General Fund amount was only about 42 or
14 43 million. Then we had one year where it got up to as
15 high as like 116. And then the years we just talked
16 about, we had four straight years, which was 90 million.
17 And it's pretty unusual for us to have four consecutive
18 years that are right at the same amount really. If you
19 look at the history, it was really all over the place.
20 So generally our budget amounts have been a little bit
21 lower than what our last year spending was because we

1 used that moving average to make sure that our budget is
2 a little bit lower, especially in times of rising
3 receipts that we don't get ahead of ourselves.

4 But I think that's kind of one way to do it.
5 And what you're describing is to kind of take the average
6 and look at them, and just take it down a notch, and be
7 conservative is a perfectly reasonable approach. And
8 what we use in our forecasting is really not that
9 sophisticated, frankly, again, because this is just so
10 hard to predict.

11 MR. GREENE: Thank you, Bob.

12 PRESIDENT BOWERS: Thank you, Bob. I
13 appreciate that.

14 Great. Well, we want to thank Bob Cennane from
15 Finance for coming in, and sharing with us. And, again,
16 I want to echo what other Commission Members have said
17 again around great appreciation for your thoroughness in
18 responding to all the questions that were sent to you
19 ahead of time. And want to again thank my fellow
20 Commission Members. Matt Hill and Shannon Snow, I think,
21 had submitted questions ahead of time. So thank them for

1 their input, and thank you, Bob, for your response.

2 MR. CENNAME: Sure. Sure. Happy to be here,
3 David. What I'll do is I'll send the written answers to
4 these as a follow-up with the attachments just so you
5 guys have them, and you can feel free to circulate that.
6 And I just want to emphasize that we're continually
7 trying to improve the training of our folks so that we
8 get those notes and those comments right so that it's a
9 little clearer about how if there's a difference from
10 what you would expect, that it's a little bit easier to
11 discern from the report. So that's kind of an ongoing
12 issue, but we'll do our best on that.

13 PRESIDENT BOWERS: Appreciate it. And from my
14 notes I saw it looks like the report from the SDAT as
15 well?

16 MR. CENNAME: Yes. Yeah, the reports from
17 SDAT. So they -- those transactions are not in the
18 report that you got because we get them separately from
19 SDAT. So there's going to be --

20 (Telephonic interference.)

21 PRESIDENT BOWERS: Great. Thank you. Thanks,

1 Bob. Appreciate it.

2 MR. CENNAME: Thanks, guys. Take care.

3 PRESIDENT BOWERS: You too.

4 MR. CENNAME: Bye-bye.

5 PRESIDENT BOWERS: We will move on in the
6 Agenda to next our Departmental Updates where we've got a
7 few items listed out the -- any updates on the NOFAs, the
8 pandemic, homelessness prevention, any updates from that
9 piece. And we've got some carry-over, I know, from our
10 last meeting. Updates on filling the two empty
11 Commission slots, and updates on the Annual Report.

12 So I will turn it over now to departmental
13 staff to allow them to work their way through responses
14 to these updates.

15 MS. GUTHRIE: Excuse me, David. I'm sorry.
16 Before we move on, I'd just like to -- just for a brief
17 moment just want to make sure we have some time toward
18 the end of the meeting to discuss the resolution that
19 circulated among the Commissioners. I just want to make
20 sure we don't run out of time to have a health discussion
21 about that resolution.

1 PRESIDENT BOWERS: Yes. In the other business
2 portion of the Agenda tonight we'll pick up on that and
3 any other items that may be out there for sure.

4 MS. GUTHRIE: Thank you.

5 PRESIDENT BOWERS: Yep. Absolutely.

6 Okay. So I'll turn it over to departmental
7 staff for the --

8 MR. MAJORS: Thank you, David. This is Jim
9 Majors. I will speak tonight on the NOFA and where we
10 are. As everyone knows, the deadline for the submission
11 of the applications was July 31st. We received
12 approximately 10 applications with a total development
13 cost of \$204 million roughly. Of that, the total number
14 of units in all 10 of the applications was 754 units, of
15 which 107 were at 30 percent AMI, and 318 were at 50
16 percent AMI. The total amount requested in trust funds
17 for this current NOFA was 5.4 million, which was in
18 excess of what we had put out on the street earlier. If
19 everyone will recall, in the NOFA we said up to \$2
20 million in this current round.

21 Based on the number of submissions and the

1 dollar amount requested, we will have a second round
2 sometime in late fall, I believe, and it will again be
3 for the new construction, preservation of existing rental
4 housing.

5 We have put together a Review Committee, who
6 has begun to review the applications. We have come up --
7 we're working on coming up with follow-up questions to
8 the developers. We hope to have that wrapped up. And I
9 will have more to report on that at next month's
10 Commission meeting.

11 In addition to that, the other thing that I
12 want to announce to the Committee tonight, concerns the
13 Community Land Trust, the RFP for a consultant to assist
14 with us, to assist us in working on the Community Land
15 Trust. I am pleased to announce that we have made a
16 selection, and the selection, the winner was Grounded
17 Solutions Network. We are currently working with the
18 organization on their scope of work. Once we have the
19 scope of work revolved, and we've come to an agreement --
20 the negotiations, the next step will be to prepare a
21 recommendation memo, and then also an award letter. Once

1 the award letter is finalized and sent out, the recipient
2 will sign it. And then when we get the letter back, we
3 have to then start working on a contract, and getting it
4 approved by the Board of Estimates.

5 That is it for what I have to report on the
6 community -- I mean on the NOFAs that I'm working on.

7 Stacy, are you there?

8 MS. FREED: Yes. I'm here. Sorry

9 MR. MAJORS: Okay. So can you update as to
10 where you are on the CLT NOFA that you're working on?

11 MS. FREED: Yep. Of course. Today we posted
12 the public comments and questions that were -- and
13 suggestions that we received for the draft NOFA for
14 making funding available to Community Land Trust for
15 single-family home ownership. Just by way of summary, a
16 number of the comments requested technical changes, which
17 we are -- which are to be reflected in the final NOFA.
18 There were three or four requests for us to make some
19 policy shifts, which are under consideration. Our plan
20 is still to post a final NOFA for submission right around
21 Labor Day.

1 PRESIDENT BOWERS: Great. Stacy and Jim, thank
2 you. We'll pause here and see if there are questions or
3 comments on the NOFAs before we move on with the updates.
4 Any questions on the NOFAs?

5 MS. SNOW: Hey, Jim. I had a question for you.
6 You had said about the -- that they -- you expected there
7 to be a second NOFA in the late fall for new construction
8 and preservation. I'm just -- if you guys got 10
9 applications that requested a total of 5.4 million, and
10 there's only 2 million available, why would you be doing
11 another NOFA?

12 MR. MAJORS: The reason why is if you take a
13 look at the amended spending plan, we have money
14 available.

15 John Mobley, are you there, John?

16 MR. MOBLEY: Yep. I'm here.

17 MR. MAJORS: All right. In the line item for
18 preservation of existing rental housing, how much money
19 do we have in the line item?

20 MR. MOBLEY: Oh, well, we have two line items
21 for it. Total out to \$3.7 million.

1 MR. MAJORS: Okay. 3.7 million.

2 MR. MOBLEY: Um-hmm.

3 MR. MAJORS: So, Shannon, in response to your
4 question, we do have the money. We will come out with a
5 second NOFA probably in the range of about 1.7 million,
6 roughly. 1.5 to 1.7 is my best guesstimate.

7 The original NOFA draft was created before we
8 had made the budget adjustment. So that's why there's
9 the \$2 million number that was outstanding originally on
10 the NOFA. So just further info.

11 MS. SNOW: Right. Got it. Okay. Thanks.

12 MR. MAJORS: Shannon, does that answer your
13 question? You good?

14 MS. SNOW: Yeah, it does. Thanks.

15 MR. MAJORS: Okay. Good. Are there any other
16 questions from any of the Commission Members regarding
17 the NOFAs?

18 MR. HILL: This is Matt Hill. Just real quick.
19 I think that if the revenues continue to increase, like,
20 July -- was a very strong month more along the lines of
21 what was originally projected for the Trust Fund. I

1 would just encourage the Department to consider whether
2 or not that extra, that second NOFA in the fall should be
3 for more than 1.7 million, given the hit that in
4 particular new construction, preservation took in the
5 revision. But maybe that's something that you'll be
6 addressing, I guess, as we move forward.

7 MR. MAJORS: Correct. As we move forward.
8 Yes, I will look at it, and give it fair consideration.

9 MR. GREENE: And this is Jay. I mean, I agree
10 with what Jim said, and we'll -- if we want to change the
11 -- the way we've been functioning, we'll probably make a
12 recommendation to the Commission for whatever additional
13 amount we want to include in the next NOFA.

14 PRESIDENT BOWERS: Jay and Jim, this is David.
15 A question I have. Does the Department actually have the
16 flexibility once the NOFA is issued, in this case for the
17 2 million, if you had --

18 (Telephonic interference.)

19 PRESIDENT BOWERS: -- that seem to meet
20 threshold and seem to be good quality projects. Could
21 you actually go above and beyond the 2 million that you

1 had posted as being in the NOFA or are you prohibited
2 from doing that --

3 (Telephonic interference.)

4 PRESIDENT BOWERS: -- or do you have to stick
5 to the amount that was posted?

6 MR. MAJORS: All right. I'll start
7 (indiscernible) follow behind me. So right now this
8 current NOFA is for approximately \$2 million
9 (indiscernible). However, if there are some strong --
10 projects that are very strong, very competitive, I could
11 see a decision being made to go over by a slight amount
12 original \$2 million. Would you agree, Jay?

13 MR. GREENE: Yeah. We can't fund half of a
14 project. So we can -- we would look at the quality
15 projects, and the amount they requested, and if we had to
16 make a slight adjustment in amount whether it's 2.2 or
17 2.3, again, we would make that recommendation
18 (indiscernible) the amount and look to the Commission.
19 It's a guideline we want to respect, but at the same
20 time, we want to choose the best projects.

21 PRESIDENT BOWERS: Understood. Thank you.

1 All right. Anything else on the NOFA before we
2 go on to the pandemic homeless prevention update?

3 Okay. Back to the Department staff for those
4 updates or City staff.

5 I think we're looking for the pandemic
6 homelessness prevention updates.

7 MR. FRANKLIN: I'm Dante Franklin. I'm
8 actually a Human Service Manager with the CAP Center.
9 I'm speaking for our Director, Angela Whitaker, today
10 with the update on the pandemic homeless project. We
11 have a tentative September start date. We had a meeting
12 today where we discussed the -- the application is
13 completed. It just needs to be reviewed for clients. We
14 currently have almost 900 inquiries from customers in our
15 eviction prevention inquiry e-mail address. And then
16 we're currently working on workflow for staff at the CAP
17 Centers.

18 MS. EDWARDS: Mr. Bowers, this is Tisha Edwards
19 from the Mayor's Office of Children and Family Success,
20 and also the Interim Director of the Mayor's Office of
21 Homeless Services.

1 Thank you, Dante, for stepping up and providing
2 the programmatic update.

3 Mr. Bowers, I also wanted to let you know that
4 we have provided a response to the Affordable Housing
5 Trust Fund recommendations that were submitted to our
6 agencies, I think, it's been two meetings ago. So we
7 have provided detailed responses that have been reviewed
8 by our Legal Committee, by our Legal Office, that will
9 inform our partnership with DHCD, the Mayor's Office of
10 Homeless Services, the Mayor's Office of Children and
11 Family Success, and the Affordable Housing Trust Fund.
12 So that information has been provided or it was provided
13 earlier today. I don't know if that has been distributed
14 to the other Commission Members, but we did provide
15 written responses to the Commission's recommendations.

16 PRESIDENT BOWERS: Ms. Edwards, thank you.

17 And just we'll confirm did that go to -- kind
18 of look back on e-mail here. So did -- could someone let
19 us know who sent that to whom? Would that have gone to
20 all Commission Members or just to me? And who would that
21 have come from? Just so we're looking at the right

1 place.

2 MR. HILL: This is Matt Hill. I received it
3 earlier this afternoon, and that's something I just
4 forwarded, I believe, to Commission Members. I attempted
5 to shortly before the meeting started.

6 PRESIDENT BOWERS: Matt, thank you. I do see
7 it. Yes. So for Commission Members, if you check from
8 an e-mail from Matt Hill. It looks like it was sent at
9 6 p.m. You should see it in your inbox.

10 Thank you, Matt. Thank you, Ms. Edwards. And
11 thank you, Mr. Franklin.

12 Any other comments, Ms. Edwards or
13 Mr. Franklin or any questions, comments from Commission
14 Members for them on the updates?

15 MR. HILL: This is Matt Hill. So thank you,
16 first, for this update, and for the very detailed written
17 responses. I really appreciate it. I can tell that you
18 all took a significant amount of time to address a lot of
19 the concerns, and I really do appreciate that.

20 Real quick just on the first thing that I
21 believe Mr. Franklin said. The start date, you said

1 September. Do you have a sense about when in September
2 the program might be operational? I just, only because I
3 know that we're going to start to seeing the failure to
4 pay rent eviction cases starting August 31st.

5 MS. EDWARDS: We are working towards September
6 1. Part of the issue, Matt, is cash flow. So our
7 dollars, the Mayor's Office of Children and Family
8 Success, which is the State CSBG dollars, are the first
9 dollars in. So we are providing the first million. And
10 so part of it is getting the State to release our million
11 dollar contribution. And they have to go through a
12 similar -- our grant has been approved, but it has to
13 move through the desk of the various folks working at the
14 State.

15 The MOH money, MOHS money, the three million
16 that is coming from the Mayor's Office of Homeless
17 Services is reimbursable. So that cannot be -- we have
18 to, you know, we have to actually pay landlords, and then
19 submit reimbursement through the Mayor's Office of
20 Homeless Services. And then the Affordable Housing Trust
21 Fund money is last money in, right? So we have said that

1 we want to use the Affordable Housing Trust Fund dollars.
2 It's the most flexible dollars in the pool. So those are
3 dollars for specific types of clients that federal
4 dollars cannot meet those clients need.

5 So our goal is September 1. From a staffing
6 perspective, we're ready. From an infrastructure
7 perspective that we are ready. The MOU between all the
8 parties is scheduled to go to the Board of Estimates on
9 September 2nd.

10 And, again, we could begin accepting
11 applications on September 1st, but we are working with
12 the State to make sure that we have at least a million in
13 the bank day one to be able to start processing those
14 checks. So that is something the State understands the
15 urgency. They've been a great partner. Every day we're
16 talking about how we can get this money moved as quickly
17 as possible. But the goal is September 1 or very soon
18 thereafter. It's really just making sure that we have
19 money in the bank so we can write checks immediately for
20 folks who qualify for the program.

21 MR. HILL: Thank you. And just real quick to

1 (indiscernible) a little bit. The CDBG CV funds that I
2 understand that the Department was using for the
3 temporary rent support, is that in addition to the funds
4 you mentioned, you mentioned about three million from
5 MOHS, three million from the Trust Fund, one million from
6 the State. Is there an additional amount from the CDBG
7 CV that's anticipated?

8 MS. EDWARDS: So we are still -- remember the
9 what I would call the DHCD's Temporary Assistance Program
10 was kind of the first program. There are still
11 applications in that queue. I think that there are about
12 a thousand applications that are working through that
13 process, which is very -- which is separate from ours.
14 Once they clear that pipeline, then there is an
15 opportunity for any reserves to be moved to the more
16 formal sustainable program. But because they have not
17 gone through all of those applications yet, we don't have
18 a clear calculation of whether there will be dollars that
19 we will be able to move into the more permanent program.

20 MR. HILL: Great. Thank you. And I just had a
21 couple of quick comments on the written response. I

1 don't want to dominate the agenda, if other folks want to
2 jump in.

3 PRESIDENT BOWERS: Any other Commission Members
4 with comments, questions, before we go back to Matt on
5 this?

6 Okay, Matt, keep going my friend.

7 MR. HILL: Sure. And this is mostly just to
8 let folks, who may be listening or watching, I don't know
9 if there are any people out there, but assuming that
10 there are, I want to say just thank you, and make people
11 aware of the fact that the CAP Centers are going to have
12 significant language access for this application in
13 English, Spanish, French, and then using language lines
14 to be able to assist with whatever language needs.
15 Having a paper application option is fantastic. And so
16 thank you. That's great. Because of the vulnerable
17 populations they're working with.

18 One thing that maybe we could come back to at
19 some point. I don't know if it's tonight. But financial
20 assistance for folks in tenant holding over and breach of
21 lease cases. I know we've talked a little bit about this

1 before, but I know just in my practice right now because
2 of the unique circumstances of the pandemic in particular
3 we're seeing a lot of tenant holding over eviction cases
4 where the real reason that the landlord is attempting to
5 terminate the tenancy is because of the lack of payment
6 and because of the way Governor Hogan's Executive Order
7 is structured, and other -- the lack of defenses in
8 tenant holding over cases, landlords are using this as
9 kind of a loophole for what are really essentially
10 failure to pay rent cases. And I know in the response I
11 see here that that's not something that the CAP Centers
12 are prepared to work on at the moment. But I would just
13 like to say that if possible, for instance, if a tenant
14 was able to negotiate some sort of payment or a plan
15 where the CAP Centers could provide some amount of money
16 -- provide some amount of money if the landlord would
17 drop the case, that to me would be a workable way to
18 address these issues.

19 So I just wanted to throw that out there. I
20 think that making it clear that the money from the Trust
21 Fund could be used for folks who are not necessarily

1 documented is really important, and I really appreciate
2 that. Providing for relocation assistance when necessary
3 is incredibly important. Being more flexible with the
4 licensing requirement as you all agreed to do is
5 fantastic, and would be good news to many of my clients.
6 I'd love to come back and revisit the discussion of how
7 these funds could work out of an escrow context because I
8 do think that's important, but I don't want to belabor
9 the point right now. Providing a tentative cap of up to
10 \$8,250 is very helpful. And I can already think of a few
11 clients, who are really facing the end of the rope, and
12 that's going to be fantastic.

13 So I don't want to belabor these points, but
14 just I really want to thank you for taking the feedback,
15 and addressing some of these concerns, and I hope to
16 continue working on a few of these other issues going
17 forward.

18 MS. EDWARDS: Thank you, Matt. And the thing I
19 would like to say to you is that we're in this for the
20 long term. The reason that we have offered the CAP
21 Centers as the program manager because of the

1 infrastructure and the ability for us to create a long-
2 term solution for addressing these types of situations.

3 So to your point, I think that we're going to
4 learn a lot. I appreciate your feedback and advocacy.
5 We consider the Commission to be a partner. And one of
6 the things that's required in the MOU is that we do have
7 to establish an oversight committee. We will be
8 providing regular data updates to all of our funders,
9 including the Commission. And as we learn more about
10 what the need is, and as long as the dollars are there,
11 and that we can operate within the parameters of the
12 grantor, and as you know the State, the federal and the
13 Affordable Housing Trust all have different rules. But
14 as long as the dollars are there, and we can meet the
15 parameters that we have to operate in, we want to
16 continue to -- for this program to evolve, and we want it
17 to meet the needs of the City. And so I -- we're very
18 excited about it. We think this is a great thing for
19 Baltimore. The Mayor is actively looking for other
20 resources to contribute to this program. So I anticipate
21 that we will be in lots of conversations, Matt, where we

1 will continue to grow this program out, learn from it,
2 and meet the needs that you are identifying.

3 PRESIDENT BOWERS: Ms. Edwards, thank you so
4 much. Really appreciate it, and echo the thanks very
5 much for the spirit in which you all have been working
6 with us and folks on the Commission and other
7 stakeholders in the community. So thank you for that.

8 We'll go back to departmental staff. I think
9 now is for any updates on the filling of the two empty
10 Commission slots. I think we had some update last
11 meeting. Want to see if there is any update on that.

12 MS. FREED: So we're working on Mr. Jones'
13 nomination. He's -- we're taking the first steps this
14 evening. There is a packet of information that I'll be
15 e-mailing him that he needs to return to the Mayor's
16 Office. Following the Mayor's review of that
17 information, the Mayor makes a determination whether to
18 send a formal nomination letter. And the formal
19 nomination letter is what starts the process. Following
20 that nomination letter, the executive appointment
21 nomination would be introduced at City Council, and then

1 approved by the Council as just the same way everybody
2 else on the Commission was.

3 PRESIDENT BOWERS: And, Stacy, can you remind
4 us for which slot that Mr. Jones --

5 MS. FREED: The Homeless Services Board
6 representative.

7 PRESIDENT BOWERS: Thank you. Okay. And for
8 the other position, any update on the other slot?

9 MS. FREED: Jay, do you want me to do that or
10 do you?

11 MR. GREENE: Right now we have no real
12 movement. We'll have a discussion with Acting
13 Commissioner Kennedy. And it's a real estate slot that
14 should be filled. And so we'll have a conversation with
15 her, and be forwarding a nomination, a recommendation for
16 the nomination shortly.

17 PRESIDENT BOWERS: Great. Thank you all.
18 Appreciate that.

19 And, finally, just the updates on the Annual
20 Report. I think that may have been coming from Jim. Any
21 news there?

1 MR. MAJORS: There is -- I will say that I
2 think we have come to a resolution as to how we're going
3 to handle it. Without going into all of the back story
4 on this, it -- we will be contracting with an outside
5 firm to prepare the report. We've been in conversations
6 with our Budget Department, and also the Department of
7 Audits. We should have more to report on this at next
8 month's meeting.

9 PRESIDENT BOWERS: Thank you, Jim. Appreciate
10 it.

11 Before we move on, any Commissioners have any
12 questions, comments on the last two items that we've
13 talked about, the slots or the Annual Report?

14 Okay. We've come to the point where are there
15 any -- Stephani, I think may be the one I'm calling on
16 here, public comment? Are there any questions or
17 comments that have come through on the chat function for
18 tonight's meeting?

19 MS. ESTRADA: I do not see any. No.

20 PRESIDENT BOWERS: Okay.

21 MS. ESTRADA: Well, hold on.

1 UNIDENTIFIED SPEAKER: (Indiscernible) have all
2 organizations that were FY 2019 NOFA recipients received
3 their budgeted funds? Is there any transparent method to
4 guarantee the smooth transfer of funds?

5 PRESIDENT BOWERS: Sounds like there may be a
6 question for department staff.

7 MR. MAJORS: Stephani, could you repeat that
8 question again for me?

9 MS. ESTRADA: Um-hmm. Have all organizations
10 that were FY 2019 NOFA recipients received their budgeted
11 funds? Is there any transparent method to guarantee the
12 smooth transfer of funds?

13 MR. MAJORS: So in response to this question,
14 we are currently reviewing the NOFA applications that
15 were submitted. As I mentioned earlier in my
16 presentation, we received 10 applications. The Committee
17 has met and gone through the applications. We have come
18 up with follow-up questions that will be sent out to
19 those who have submitted requests for funding. Once we
20 receive the responses back, we will then get together as
21 a committee, rank the applications, and then make a

1 recommendation to Acting Commissioner Kennedy as to which
2 ones will get funded for this current round.

3 PRESIDENT BOWERS: Thank you.

4 MS. ESTRADA: I don't see any more right now.

5 PRESIDENT BOWERS: Thank you, Stephani.

6 Appreciate it.

7 So we'll move on in the Agenda then to other
8 business. Is there any other business Commission Members
9 have? The floor is now open.

10 MS. GUTHRIE: Yes. This is Tisha Guthrie, and
11 I would like to reiterate, initiate a conversation around
12 the resolution -- proposed resolution that was circulated
13 and submitted to the fellow Commissioners around
14 transparency and transitioning and termination of the --
15 of Michael Braverman. I'm hoping that all received the
16 document, and had an opportunity to review it.

17 PRESIDENT BOWERS: And, one comment.

18 Ms. Guthrie, thank you for flagging that for folks that
19 you had sent that out. I think, hopefully, people got
20 versions to make sure they could actually read it. I
21 think there has been some comment before. I'm going to

1 ask if department staff has something about the ability
2 to do formal resolutions or not. Is there someone from
3 the department, and whether there's a different path?
4 And then before we even get into the substance of the
5 actual document itself secondly. First, just wanted to
6 ask are we allowed to do formal resolutions or does it
7 have to take some other form?

8 MS. FREED: Jay, do you want to take that or do
9 you want -- who do you -- Jay, do you want me to take
10 that or do you want to answer?

11 MR. GREENE: Please answer, Stacy.

12 MS. FREED: So we did. We've had conversations
13 with the City Law Department, and the Affordable Housing
14 Trust Fund, like all other City boards and commissions,
15 are considered parts of an agency. Agencies in and of
16 themselves are not able to issue resolutions. That's a
17 function only available to the Mayor and City Council.
18 You can get a letter of support to the Mayor. You can
19 ask to meet with the Mayor. But the Mayor in and of
20 itself the Commission cannot pass a formal resolution.

21 MS. GUTHRIE: Okay. Thank you for that

1 information and clarification. I would like to move
2 forward with proposing that the Commission ask in
3 whatever form we deem appropriate for a clarification for
4 transparency, and also detailed plan as to moving
5 forward. I am very clear and -- for myself, and quite
6 certain that the rest of the Commission is very welcoming
7 of the Acting Commissioner Kennedy, and I'm quite sure
8 that the seats taken will be appropriately utilized, will
9 be working forward in the hard work that we have all
10 dedicated to, to ensure that the money that has been
11 fought for will be optimized to prayerfully secure
12 sustainable affordable housing for those who are most at
13 need. What I do think we also need to be mindful of is
14 that the positions we hold, we are here to speak and to
15 stand for those who are most vulnerable, and for the
16 Baltimore City residents. Decisions that are made that
17 affect this level of leadership should not be made
18 haphazardly. I believe that we are deserving of an
19 explanation and, again, a detailed plan as to how we are
20 to move forward. If (indiscernible) will be in a
21 different direction, I believe that we are deserving of

1 an explanation there. So whether we coalesce and put
2 together a letter that will be submitted to the Mayor,
3 however we -- whatever that looks like, I submit to the
4 Commission that we do so, and we do so in a very timely
5 fashion.

6 PRESIDENT BOWERS: And, Ms. Guthrie, are you
7 making a formal motion on that request?

8 MS. GUTHRIE: Yes, I am.

9 PRESIDENT BOWERS: Okay. So the motion has
10 been made by Ms. Guthrie. Is there a second on that
11 motion?

12 MS. JOYNES: I second.

13 PRESIDENT BOWERS: That's Ms. Joynes. So it's
14 been moved by Ms. Guthrie and seconded by Ms. Joynes.

15 Is there a discussion? The floor is open now
16 for a discussion on the motion.

17 MR. HILL: Yeah, I do. This is Matt. I
18 support the motion. I am very concerned. I think that
19 any time you have a -- first off let me just say I'm
20 very, I'm excited that Acting Commissioner Kennedy is
21 taking this role. Welcome her. Look forward to working

1 with her. This is no reflection on her whatsoever. I've
2 heard nothing but excellent things from my colleagues.
3 And so I want to make that very, very clear.

4 At the same time, there is the -- the problem
5 here is the process, and the lack of transparency with
6 the sudden termination of the Commissioner Braverman in
7 the middle of a pandemic, following on the heels of the
8 termination of Jerry and Anthony from the Mayor's Office
9 of Homeless Services in the middle of pandemic. In
10 addition, to the termination of the Director of the
11 Office of Civil Rights and Equity in the middle of a
12 pandemic. All without explanation; all very suddenly.
13 And I think it's difficult for any organization to endure
14 and function well with that kind of upheaval in
15 leadership. And so I am very concerned, and I think just
16 as my role as a Commission Member, I feel obligated to
17 say that we need some transparency around this, and we
18 need some understanding about how these departments are
19 going to be able to function at the level that we've all
20 planned and advised, and helped them with; particularly
21 again because we are in the middle of such a crisis.

1 And so I support the motion.

2 PRESIDENT BOWERS: Other Commission Members,
3 comments, questions, issues, discussion?

4 MS. KIMBALL: I'd like to say this. I'd like
5 to support this issue as well. I stand with them because
6 we do need to know exactly what happened.

7 PRESIDENT BOWERS: Other -- thank you,
8 Ms. Kimball.

9 Other Members of the Commission, comments,
10 observations, questions, concerns, issues, support or
11 otherwise?

12 MS. KIMBALL: By the way, welcome, Ms. Kennedy.
13 You are welcomed.

14 PRESIDENT BOWERS: In light of -- so a couple
15 of thoughts that I have. One, the -- appreciate the
16 update from Stacy Freed about the -- kind of the form it
17 might have to take. And so, Ms. Guthrie, I heard in your
18 motion the notion of the letter from the Commission in
19 terms of the form. In terms of the what might be the
20 substance of the letter, I'm assuming, but I don't want
21 to assume, so tell me if I'm right just so we're all

1 clear, that the substance of the letter would be
2 recommending in your motion would be the language that
3 was in the resolution that was circulated?

4 MS. GUTHRIE: Correct.

5 PRESIDENT BOWERS: And one thing. So one thing
6 I would suggest that if there were a letter that were
7 going to go to the Mayor on this that when I read it,
8 number one, seems to me it would be -- resonate with
9 three and four in particular. Number one seems to be
10 problematic because I'm assuming that it's a personnel
11 issue in that folks at that level serve at the pleasure
12 of. So while -- and I want to be clear. So while I was
13 surprised and shocked at the news, disappointed, and also
14 echo my welcome to Ms. Kennedy, and feel sure she will do
15 a good job, I think number one being in the letter may
16 not serve as appropriate given that folks at that level
17 serve at the pleasure, and that it's a -- would be
18 described as a personnel issue. So I don't know that we
19 have standing to demand an explanation for why a
20 personnel decision was made.

21 But feel comfortable in terms of three and

1 four, and even I think two, which we've heard some
2 speaking to number two, but certainly (indiscernible) by
3 even by Ms. Kennedy, but could certainly include that as
4 well. But those are some thoughts I have in terms of --
5 in terms of it.

6 Are there other thoughts that anyone else has
7 on this pro or in favor of or against or clarifying that
8 anyone wants to bring before we keep moving forward on
9 this discussion?

10 So Ms. Guthrie, before we take a vote on your
11 -- let me ask if you would -- would you accept or not
12 that as a friendly amendment that if we -- if the
13 Commission decides to do the letter, that we include 2, 3
14 and 4, but not number 1?

15 MS. GUTHRIE: Sure. I'm definitely willing to
16 take that advice. The whole purpose of the letter would
17 be, again, for transparency, and to get the information
18 that I think we as a Commission and the population at
19 large deserves. So however we can fashion it to come
20 across as diplomatic as possible, that's fine.

21 PRESIDENT BOWERS: May I suggest then, and I'm

1 thinking this out loud to the full Commission, that the
2 vote of the Commission, that the -- what Ms. Guthrie is
3 moving would be a letter from the Commission to the Mayor
4 that would in a material way reflect the language that
5 she sent with the exception of number 1 being removed,
6 but 2, 3 and 4 being included, and the language in a way
7 that drafted in a letter from the Commission.

8 Ms. Guthrie, if you're okay with that being
9 what we vote on, are you okay with that?

10 MS. GUTHRIE: Yes, I am.

11 PRESIDENT BOWERS: Okay. So it's been moved by
12 Ms. Guthrie, seconded by Ms. Joynes. And Ms. Guthrie
13 accepting kind of the friendly amendment of -- suggestion
14 of the language.

15 Is there any other discussion?

16 Okay. All in favor, please indicate by saying
17 aye.

18 COMMISSION MEMBERS: Aye.

19 PRESIDENT BOWERS: Are there any opposed?

20 Are there any abstentions.

21 MR. GREENE: This is Commissioner Greene. I

1 abstain.

2 PRESIDENT BOWERS: So the motion passes to do a
3 letter -- what was indicated. And what we'll do is if
4 Commissioners -- Ms. Guthrie, what I'll do is be in touch
5 with you to work with you to work with you to put this in
6 a letter form that would come from the Commission per
7 what we've reflected, and work to get that out this week
8 to the Mayor.

9 MS. GUTHRIE: Absolutely.

10 PRESIDENT BOWERS: Great.

11 Any other business -- thank you for that,
12 Ms. Guthrie and other Commission Members for the
13 discussion.

14 Any other business that anyone wants to bring
15 forward before we close?

16 Okay. It is 7:28 p.m. I want to again thank
17 the staff for the Department; want to thank in particular
18 also Acting Commissioner Alice Kennedy for coming and
19 sharing words, and I echo again the support for her that
20 was mentioned by several of the Members of the
21 Commission. Want to thank all of our presenters again

1 tonight, Mr. Cename and Ms. Edwards, Mr. Franklin as
2 well.

3 So we are at 7:28 p.m. officially adjourned.

4 (Whereupon, at 7:28 p.m., on August 25, 2020,
5 the meeting was adjourned.)

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