

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

10400 Detrick Avenue
Kensington, Maryland 20895
(240) 627-9425

Minutes

November 1, 2017

17-11

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, November 1, 2017 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:30 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Margaret McFarland
Linda Croom
Pamela Byrd
Edgar Rodriguez

Absent

Christopher Hatcher, Vice Chair

Also Attending

Stacy L. Spann, Executive Director
Erik Smith
Clarence Landers
Bonnie Hodge
Saundra Boujai
Pedro Martin
Ellen Goff
Christina Autin
Lynn Hayes
Tiffany Jackson
Vivian Benjamin
Jay Shepherd
Nilou Razeghi
Douglas Brooks
Cathy Kramer
John Vass
Jennifer Hamm
Garrett Jackson

Nowelle Ghahhari, General Counsel
Rita Harris
Fred Swan
Natalie Craver
Ian Williams
Kayrine Brown
Ethan Cohen
Zachary Marks
Maria Montero
Charnita Jackson
Melody Stanford
Jim Atwell
Joan McGuire
Mary Phillips
Gail Willison
Deirdre Harris
Patrick Mattingly
Francisco Vega

Eugene Spencer
Darcel Cox
Tara Whicker
Amber Queen
Eugenia Pascual
Kathryn Hollister

Lorie Seals
Ali Khademian
Lauren Williams
Toni Johnson
Ugonna Ibebuchi

Resident Advisory Board

None

Commission Support

Patrice Birdsong

Guest

Marsha Coleman-Adebayo
Rev. Segum Adebayo
Kevin Berends
Robert Stubblefield
Keren Cabral
Peter Burr
Jennifer Odintz
Laurel Hoa
Brian Ulmer

IT Support

Irma Rodriguez
Carlton Boujai

Troy Jackson
Roger Hall
Saundra DeMoraes
Marta Melgar
Mindy Melgar

The meeting began with approval of the Consent Calendar. The Consent Calendar was adopted upon by a motion by Chair Pro Tem Nelson and seconded by Commissioner McFarland. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Hatcher was necessarily absent and did not participate in the vote.

I. CONSENT ITEMS

- A. Approval of Minutes of September 6, 2017** – The minutes were approved as submitted.
- B. Approval of Minutes of October 4, 2017** – The minutes were approved as submitted.
- C. Approval of Minutes of October 17, 2017 Administrative Session** – The minutes were approved as submitted.

II. INFORMATION EXCHANGE

A. Community Forum

- Brian Ulmer, Landlord, address the Board regarding tenant. Fred Swan, Director of Resident Services was asked assist Mr. Ulmer.

- Troy Jackson, Landlord, address the Board regarding tenant. Garrett Jackson, Special Assistant to the Executive Director was designated to assist Mr. Jackson.
- Roger Hall, Alexander House Resident, address the Board with his concerns of the property management company.
- Sandra DeMoraes, Alexander House Resident, address the Board regarding concerns at the property.
- Marta Melgar and daughter addressed the Board regarding issues with her unit and harassment by neighbors.
- Laurel Hoa, Dr. Marsha Coleman-Adebayo, Rev. Segun Adebayo, Kevin Berends, Robert Stubblefield, Keren Cabral, Peter Burr, and Jennifer Odintz – Macedonia Baptist Church, and addressed the Board regarding preservation of the Historical African-American Burial ground associated with the Macedonia Baptist Church.

B. Executive Director Report

- Executive Director Spann reported that there was nothing additional to add to his written report.

C. Commissioner Exchange

- Commissioner Nelson reported on a Bill being introduced to modify MPDU Program.

D. Resident Advisory Board

- No Report

III. ADMINISTRATIVE AND SPECIAL SESSIONS ACTIONS

**A. Ratification of Action Taken in Administrative Session on October 17, 2017:
Approval of Predevelopment Funding and Authorization to Enter into a
Predevelopment Agreement for Affordable Housing Units**

The following resolution was adopted upon a motion by Commissioner Croom and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 17-70R

**RE: Ratification of Action Taken in Administrative
Special Session on October 17, 2017
Approving Predevelopment Funding and
Authorization to Enter into a
Predevelopment Agreement for Affordable
Housing Units**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly created, organized and existing under the

laws of the State of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland (the "Act"), to carry out and effectuate the purpose of providing affordable housing including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at an Administrative Special Session duly called and held on October 17, 2017, with a quorum present, the Commission duly adopted Resolution 17-70AS, which approved predevelopment funding and authorized entering into a predevelopment agreement for certain affordable housing units.

WHEREAS, consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commissioners in adopting Resolution 17-70AS and any action taken since October 17 2017 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 17-70AS and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

IV. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION
A. Budget, Finance and Audit Committee – Com. Nelson, Chair
1. Approval of CY'18 Tax Credit Partnership Budgets

Gail Willison, Chief Financial Officer, and Tiffany Jackson, Budget Officer, were presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 17-71

Re: Approval of CY'18 Tax Credit Partnership

WHEREAS, the Housing Opportunities Commission of Montgomery County is the General Partner who manages the business and is liable for the debts of 15 Tax Credit Partnerships; and

WHEREAS, the limited partners in these 15 Tax Credit Partnerships have contributed money and share in profits but take no part in running the business and incur no liability with respect to the partnership beyond their contributions; and

WHEREAS, the Tax Credit Partnerships are unique within the Housing Opportunities Commission's property portfolio since they are not HOC entities but managed properties and have no separate Boards; and

WHEREAS, the Housing Opportunities Commission has a financial obligation to cover all debts, has an interest in the successful performance of these partnerships and, as such, should review their performances and approve their budgets; and

WHEREAS, the Budget, Finance and Audit Committee reviewed the CY'17 Budgets at the October 17, 2017 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves the CY'18 Operating Budgets for the 15 Tax Credit Partnerships shown on Attachment 1 of this resolution.

2. Authorization to Submit FY'19 County Operating Budget

Tiffany Jackson, Budget Officer, and Nilou Razeghi, Assistant Budget Officer, were presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 17-72

RE: Authorization to Submit FY'19 County Operating Budget

WHEREAS, the Housing Opportunities Commission of Montgomery County wishes to submit a request for County funds for FY'19; and

WHEREAS, the County has instructed HOC to submit a base budget or "MARC" of \$6,508,067 for FY'19 by November 9, 2017.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby submits a request for FY'19 County funds in the amount of \$6,508,067.

3. Approval to Extend the Banking Services Contract with PNC Bank, N.A.

Gail Willison, Chief Financial Officer, was the presenter.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Simon, Nelson,

McFarland, Croom, and Byrd. Commissioner Rodriguez abstained. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 17-73

**RE: Approval to Extend Banking Services Contract
with PNC Bank, N.A.**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation, and/or permanent financing or refinancing (or a plan of financing) of multifamily rental housing properties for persons of eligible income which provide a public purpose; and

WHEREAS, in furtherance of its mission, the Commission uses the services of commercial banks pursuant to which, PNC Bank, N.A. (PNC Bank) has served the Commission as its primary bank since 2008 and in addition to its Treasury Management services has provided the Commission with a menu of services that includes capital markets, real estate financing, and other financial services; and

WHEREAS, the current Banking Services Contract with PNC Bank will expire on September 30, 2018; however, the contract may be extended for two additional years; and

WHEREAS, an extension of the current Banking Services Contract must be requested of the Commission, which in its sole discretion may grant that extension but if such extension is not granted, a new procurement process must commence which would require up to one year for procurement and switching to a new bank; therefore, staff seeks action from the Commission at this time; and

WHEREAS, PNC Bank has established a mutually beneficial relationship with the Commission and continues to provide services at competitive cost in support of its mission.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it authorizes the Executive Director to extend the contract for banking services with PNC Bank, N.A. for one year through September 2019.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, without further action on its part, is hereby authorized and directed to take any and all actions necessary and proper to carry out the transaction contemplated herein.

4. Approval of Extension of Property Assistance Contract

Clarence Landers, Acting Director of Property Management, was the presenter.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 17-74

**Re: Authorization to extend the
Property Assistance Contract with Edgewood
Management Company**

WHEREAS, the Housing Opportunities Commission issued a Request for Proposals (the "RFP") to property management firms to provide certain services in marketing and operating the Units utilizing the brand of the private company; and

WHEREAS, responses were received from several management companies and after review of the written submissions and direct interviews with Commission staff, it was determined that Edgewood/Vantage Management ("Edgewood") was the most responsive bidder in terms of fee, expertise in marketing to a broad segment of the market, recognized brand, knowledge of Commission requirements, and capabilities for training staff and potential residents under the Section 3 program; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to extend the two-year contract for an additional year.

5. Approval of Management Contract for Spring Garden

Clarence Landers, Acting Director of Property Management, and Charnita Jackson, Asset Manager, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 17-75

**RE: Approval of Management Contract
for Spring Garden Apartments**

WHEREAS, the Housing Opportunities Commission issued a Request for Proposals (RFP) for management for Spring Garden Apartments; and

WHEREAS, based on the criteria included in the RFP and pricing from five responding companies, a panel of HOC staff from Property Management, Mortgage Finance and Compliance scored the results and determined that Edgewood/Vantage Management is the most qualified to manage Spring Garden Apartments.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission that the Executive Director is hereby authorized to negotiate and execute a contract for the term of two (2) years with three (3) one (1) year renewal options with Edgewood/Vantage Management for property management services at Spring Garden Court Apartments.

6. Approval of Contract for Barclay Square and Fairfax Court

Clarence Landers, Acting Director of Property Management, and Pedro Martin, Acting Asset Manager, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION NO. 17-76

**RE: Approval of Management Contract
Contract for The Barclay and Fairfax
Court Apartments**

WHEREAS, the Housing Opportunities Commission issued a Request for Proposals (RFP) for management of The Barclay and Fairfax Court Apartments; and

WHEREAS, based on the criteria included in the RFP and pricing from each of the five companies, a panel of HOC staff from Property Management, Mortgage Finance and Compliance scored the results and determined that Edgewood Management Corporation is the most qualified to manage The Barclay and Fairfax Court Apartments.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission that the Executive Director is hereby authorized to negotiate and execute a contract for the term of two (2) years with two (2) one-year renewable terms with Edgewood Management Corporation for property management services at The Barclay and Fairfax Court Apartments.

B. Development and Finance Committee – Com. Jackie Simon, Chair

1. Adoption of an Inducement Resolution for Acquisition and Renovation of the Hillside Senior Living Transportation

Kayrine Brown, Chief Investment and Real Estate Office, Vivian Benjamin, Assistant Director Mortgage Finance, Ugonna Ibebuchi, Financial Analyst, and Erik Smith, Junior Financial Analyst, were presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Rodriguez was necessarily absent and did not participate in the vote

RESOLUTION NO.: 17-77

**Re: Adoption of an Inducement
Resolution for Hillside Senior Living
Transaction**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation, and/or permanent financing or refinancing (or a plan of financing) of multifamily rental housing properties for persons of eligible income which provide a public purpose; and

WHEREAS, the Commission is authorized to issue tax-exempt bonds to provide the acquisition, construction and permanent financing for such developments; and

WHEREAS, the Commission has been asked to consider the issuance of a maximum amount of \$28,897,000 in tax-exempt bonds to finance the acquisition and rehabilitation loan for a multifamily rental housing development, Hillside Senior Living (the "Development"), a 140-unit development located at 200 Skidmore Boulevard, Gaithersburg, Montgomery County, Maryland 20788, which is intended for occupancy by independent elderly residents; and

WHEREAS, the Commission sees this financing arrangement as an opportunity to further its goals in meeting said public purpose.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes the staff to proceed with the review and processing of the necessary financing application.

BE IT FURTHER RESOLVED that it is the intention of the Commission to issue tax-exempt bonds in the maximum principal amount of \$28,897,000 to provide financing for the acquisition and construction financing of the Development. The foregoing represents an expression of intent in order to satisfy the provision of 24 C.F.R. §1.150-2 of the United States Income Tax Regulations, and is not a commitment by the Commission to issue said bonds. Issuance of said bonds shall: 1) be at the discretion of the Commission, 2) shall be subject to the final satisfactory underwriting and approval of all documents, provisions, covenants, and all other provisions as may be required by the Commission and 3) shall be subject to final acceptance of same by the owner of the project.

V. ITEMS REQUIRING DELIBERATION and/or Action

1. Acceptance of HOC FY'17 Audited Financial Statements, Single Audit Report, and Management Letter

Gail Willison, Chief Financial Officer, and Eugenia Pascual, Controller, were the presenters.

The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 17-78

**RE: Acceptance of HOC FY'17
Audited Financial Statements Single
Audit Report, and Management Letter**

WHEREAS, the independent auditors, CliftonLarsonAllen LLP (CLA), presented their report for FY'17 to the Commission; and

WHEREAS, at a meeting held on November 1, 2017, the Commission reviewed the HOC FY'17 Audited Financial Statements, Single Audit Report, and Management Letter.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission accepts the HOC FY'17 Audited Financial Statements, Single Audit Report, and Management Letter prepared by CliftonLarsonAllen LLP.

2. Approval of Renovation Budget and Scope of Work for Public Housing Common Area Amenities at Tobytown and Authorization to Select General Contractor for Renovation of Tobytown Community Clubhouse in Accordance with IFB #2082

Kayrine Brown, Chief Investment and Real Estate Officer, and Jay Shepherd, Senior Financial Analyst, were the presenters.

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Rodriguez. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Croom, Byrd, and Rodriguez. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 17-79

**RE: Approval of Renovation Budget and
Scope of Work for Public Housing
Common Area Amenities at Tobytown
and Authorization to Select General
Contractor for Renovation of Tobytown
Community Clubhouse in Accordance
With IFB #2082**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission" or "HOC") receives funding from the Department of Housing and Urban

Development (“HUD”) under its Capital Funds Program (“CFP”) for use by HOC at its Public Housing properties; and

WHEREAS, Tobytown is a 26-unit residential townhouse development principally located at 12600 Tobytown Drive in Potomac and was developed by HOC around 1972 under the former HUD Turnkey III Public Housing Homeownership program; and

WHEREAS, the HUD Turnkey III program was designed to encourage self-sufficiency through homeownership whereby during the period of tenancy, the family made equity payments based on their household income and maintained their own property such that when a family's income and equity accounts increased to the point where it could obtain permanent financing for the unit, or when the equity account equaled the unamortized debt and closing costs, ownership passed to the family; and

WHEREAS, HUD began phasing out the Turnkey III program in 1999 and by May 31, 2017, ownership had transferred from HOC to the respective families in 19 of the 26 units at Tobytown (73% of the units) and in June 2017, as part of the disposition process, the Commission approved a contract award with CBP Constructors, LLC for the renovations contemplated under IFB #2072 to the seven (7) remaining units and in September 2017 the work commenced; and

WHEREAS, aside from these remaining seven units, HOC owns common areas including a 3,295 square foot community clubhouse, a cemetery, and a playground which were originally built in the early 1970's, and although the clubhouse received intermittent renovation work over the previous 45 years it requires substantial renovation to meet code compliance, current resident usage expectations, and to allow HOC to fully exit the Public Housing regulatory environment; and

WHEREAS, in the CFP Year 23 (federal fiscal year 2014) Federal Capital Funds Program (CFP), HUD authorized \$1,762,821, of which \$784,848 is available for use at Tobytown to renovate HOCs remaining assets, and up to \$496,088,000 available in the Public Housing Asset Repositioning funds to cover additional expenses to renovate and convert the Common area amenities; and

WHEREAS, renovations include code-required work to the clubhouse for front entrance and canopy, loft meeting space, systems, and finish replacements; and

WHEREAS, staff has solicited competitive Invitation-to-Bid (IFB) procurement (IFB #2082 RENOVATION OF TOBYTOWN COMMUNITY CLUBHOUSE IN TOBYTOWN) targeted at small-businesses in Montgomery County and received several compliant responses from seven firms; and

WHEREAS, staff recommends proceeding with the selection of the lowest responsible and responsive bidder, Visionary Construction Consultants, LLC to complete the

renovation and fund the contract from residual dedicated CFP and Public Housing Asset Repositioning funds; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Scope of Work for common areas at the Tobytown community is approved and the Executive Director is authorized to award a contract to Visionary Construction Consultants, LLC as contractor for the renovations contemplated under IFB #2082.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to execute a contract with Visionary Construction Consultants LLC for \$560,000 plus additional costs, if any, to reflect design changes with final contract numbers to be reported to the Commission when they are known and that such funding will be provided from budgeted HUD Capital Fund Program and Public Housing Asset Repositioning Fee for use by HOC at its Public Housing properties.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized and directed, without further action on the part of the Commission; to take any and all other actions necessary and proper to carry out the transaction contemplated herein including, without limitation, the negotiation and execution of related documents.

V. FUTURE ACTION ITEMS

None

VI. NEW BUSINESS

None

VII. ADMINISTRATIVE SESSION FINDING

None

Based upon this report and there being no further business to come before this session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

The open session adjourned at 6:04 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: January 10, 2018