

EXPANDED AGENDA

November 16, 2022

YouTube Link: <https://youtu.be/9w1uecZpZdM>

In order to continue to implement recommended social distancing guidelines, HOC will conduct its November 16, 2022 monthly meeting through a hybrid model. HOC’s Board of Commissioners and certain staff will participate in-person. The public will continue to participate via an online platform and teleconference call until further notice.

		Res #
4:00 p.m. Page 4	I. <u>INFORMATION EXCHANGE</u> A. Community Forum B. Report of the Executive Director C. Commissioner Exchange	
4:40 p.m. Page 15 26	II. <u>APPROVAL OF MINUTES</u> A. Approval of Minutes of October 5, 2022 B. Approval of Minutes of October 5, 2022 Closed Session C. Approval of Minutes of October 25, 2022 Special Session – Property Management RFP	
4:50 p.m.	III. <u>COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION</u>	
Page 30 5:05 p.m. Page 47 5:25 p.m. Page 51	A. Budget, Finance and Audit Committee – Com. Nelson, Chair 1. Calendar Year 2023 (CY’23) Portfolio Budgets: Approval of the Calendar Year 2023 Portfolio Budgets 2. Fiscal Year 2024 (FY’24) County Operating Budget Presentation Fourth Quarter Unaudited Financial Statements: Authorization to Submit the County FY’24 Maximum Agency Request Ceiling (“MARC”) 3. Procurement of Property Management Services: Renewal of Property Management Contracts for Battery Lane, Bradley Crossing, The Lindley and The Willow Manor Properties (Willow Manor at Clopper’s Mill, Willow Manor at Colesville and Willow Manor at Fair Hill Farm)	22-74 (pg. 36) 22-75 (pg. 50) 22-76 (pg. 55)
5:45 p.m. 58 6:10 p.m. 83	B. Development and Finance Committee – Com. Simon, Chair 1. Residences on the Lane: Approval of Amended Finance Plan, Amended Bond Authorizing Resolution, and Draw on the PNC Bank, N.A. Line of Credit 2. Sandy Spring Missing Middle: Approval to Select and Execute Contract with Zavos Architecture & Design as Architect; Fourth Phase of Predevelopment Funding, Approval of Final Site Design; and Authorization to Submit a Final Site Plan to Planning Commission	22-77 ^A (pg. 72) 22-77 ^B (pg. 74) 22-77 ^C (pg. 76) 22-78 (pg. 102)
6:30 p.m. Page 106	IV. <u>ITEMS REQUIRING DELIBERATION and/or ACTION</u>	22-79 (pg. 109)

	1. Agency Audit: Acceptance of HOC Fiscal Year 2022 Audit Financial Statements, Single Audit Report, and Management Letter		
6:40 p.m.	<u>RECESS</u>		
	<u>DEVELOPMENT CORPORATION MEETINGS</u>		
6:45 p.m. Page 113	<u>Barclay Apartments Development Corporation</u> <ul style="list-style-type: none"> • Approval of Minutes of October 5, 2022 Meeting 		
6:46 p.m.	<u>ADJOURN</u>		
6:46 p.m. Page 118	<u>Magruder’s Discovery Development Corporation</u> <ul style="list-style-type: none"> • Approval of Minutes of October 5, 2022 Meeting 		
6:47 p.m.	<u>ADJOURN</u>		
6:48 p.m. Page 123	<u>The Metropolitan Development Corporation</u> <ul style="list-style-type: none"> • Approval of Minutes of October 5, 2022 Meeting 		
6:49 p.m.	<u>ADJOURN</u>		
6:49 p.m. Page 128	<u>Montgomery Arms Development Corporation</u> <ul style="list-style-type: none"> • Approval of Minutes of October 5, 2022 Meeting 		
6:50 p.m.	<u>ADJOURN</u>		
6:50 p.m. Page 133	<u>Paddington Square Development Corporation</u> <ul style="list-style-type: none"> • Approval of Minutes of October 5, 2022 Meeting 		
6:51 p.m.	<u>ADJOURN</u>		
6:52 p.m. Page 138	<u>Pooks Hill Development Corporation</u> <ul style="list-style-type: none"> • Approval of Minutes of October 5, 2022 Meeting 		
6:53 p.m.	<u>ADJOURN</u>		
6:54 p.m. Page 143	<u>RAD 6 Development Corporation</u> <ul style="list-style-type: none"> • Approval of Minutes of October 5, 2022 Meeting 		
6:55 p.m.	<u>ADJOURN</u>		
7:00 p.m.	<u>RECONVENE HOC MEETING</u>		
7:00 p.m. Page 148	<u>CLOSING STATEMENT</u> <ul style="list-style-type: none"> • Vote to close meeting 		
7:05 p.m.	<u>ADJOURN</u>		
7:15 p.m.	<u>CLOSED SESSION</u> <i>The closed meeting will be called to order pursuant to Section 3-305(b)(9) of the General Provisions Article of the Annotated Code of Maryland.</i>		

NOTES:

1. This Agenda is subject to change without notice.
2. Public participation is permitted on Agenda items in the same manner as if the Commission was holding a legislative-type Public Hearing.
3. ***Times are approximate and may vary depending on length of discussion.***
4. *These items are listed "For Future Action" to give advance notice of coming Agenda topics and not for action at this meeting.
5. Commission briefing materials are available in the Commission offices the Monday prior to a Wednesday meeting.

If you require any aids or services to fully participate in this meeting, please call (240) 627-9425 or email commissioners@hocmc.org.

Information Exchange



Report of the Executive Director

Chelsea J. Andrews

November 16, 2022

HOC AT-A-GLANCE: OCTOBER 2022

During the month of October, HOC continued to engage in its core activities providing support and enrichment programming to our clients, fulfilling our HUD required obligations and enhancing our clients' experience. This month we mark the achievement of our Finance Division and introduce our Legislative Update. We continue to highlight services provided by our Office of Resident Services, updates from our Housing Resource Division, Real Estate Development activities, and updates from our Information Technology Division. HOC's offices remain closed to the public; however, we continue to provide high-level customer service through virtual meetings and program offerings, on-site engagement at properties and meet with clients in-person by appointment.

Two pinnacle events must also be noted: one involves fundraising efforts in support of HOCP and our residents, and a second in support of our staff. On Thursday, October 13, 2022, HOC along with our nonprofit, Housing Opportunities Community Partners ("HOCP") hosted the 2022 Inspire Celebration at VisArts Center in Rockville. The first in-person event since the onset of the Coronavirus 2019 pandemic which included dignitaries, key stakeholders and donors in support of the event. The County Executive, Marc Elrich and all attendees were inspired by guest speaker Diane Yentel, President and CEO of the National Low Income Housing Coalition and celebrated the Inspire Award Winners, ComuniBuild Foundation and Dr. Ikenna Myers. The event raised a record high of over \$200,000 in support of HOCP and its programming for the families we serve.

To show appreciation to our staff, the first Staff Appreciation Day event since 2019 was held at Smokey Glen Farm as we emerge from the pandemic. While staff enjoyed food, fun, and games, we raised over \$2,000 toward HOCP, from donated items from all HOC divisions.

FINANCE DIVISION NEWS

We are pleased to share that HOC has been awarded the Government Finance Officers Association ("GFOA") Certificate of Achievement for Excellence in Finance Reporting. The GFOA established the Certificate of Achievement for Excellence in Financial Reporting Program ("COA") in 1945, to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare annual comprehensive financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal.

The report has been judged by an impartial panel to meet the high standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the report.

The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by an agency and its management.

This is the Finance Team’s 13th GFOA Certificate of Achievement Award. Congratulations are in order for the entire Finance staff for their hard work and dedication in receiving this prestigious award.

LEGISLATIVE UPDATE

On November 1, 2022, the County Council passed Bill 17-22 and Bill 26-22. Copies of the Council packets are attached, and a brief summary of the bills’ impacts on HOC is below.

Bill 17-22

Bill 17-22 made various changes to the County Ethics Law, including adding a definition of “quasi-governmental entity,” expanding the definition of “restricted donor,” adding a prohibition against retaliation, and expanding financial disclosure requirements. The following changes directly impact HOC:

1. HOC Commissioners must complete training on the Montgomery County Public Ethics Law.
2. Unless otherwise authorized by law or by the Ethics Commission, a person that is engaged in a procurement matter with HOC must not employ or offer to employ an HOC employee if that employee significantly participated¹ in the procurement.

Bill 26-22

Bill 26-22 introduces radon testing requirements for rental housing. The law will take effect on July 1, 2023, and applies to all ground-contact or basement units of a residential rental single-family home (not including condominium units) and multifamily buildings. The bill is silent on retroactivity (i.e., whether units that are already under lease will have to comply). Since the bill is not effective until mid-2023, it is possible the Council expects landlords to come into compliance by that time. Additionally, Councilmember Jawando mentioned that he might introduce a bill that requires landlords to provide temporary housing when performing any required radon mitigation.

A more detailed narrative to include the fiscal impact of Bill 26-22 is being prepared for the Commission.

¹ *The Ethics Law defines “significant participation” as making a decision, approval, disapproval, recommendation, rendering of advice, investigation, or similar action taken as an officer or employee. Significant participation ordinarily does not include program or legislative oversight, or budget preparation, review or adoption.*

RESIDENT SERVICES UPDATE

Service Coordination and Programming

The Service Coordination and Programming Units provide assessment, counseling, information, referrals and program services to HOC customers. During the month of October 2022, staff continued to provide services virtually and in person. Resident Counselors continued to engage with HOC's customers to determine their needs. Customers were referred to our partners to receive food and other assistance. Resident Counselors continued to perform wellness checks with customers to ensure their safety and assess their needs. Customers with delinquent rent were referred/connected to the COVID Rental Assistance Program, the Emergency Rental Assistance Program, and the Housing Stabilization Program.

HOC's customers also continued to receive referrals to unemployment assistance, Temporary Cash Assistance, Supplemental Nutrition Assistance Program, Maryland Energy Assistance Program, and other benefit programs. The Housing Stabilization staff continued to process applications for rental assistance. Resident Counselors continued to work remotely and in-person. Staff work scheduled days in the office and see residents by appointments. Resident Counselors have also attended the Housing Resources Division virtual briefings for new voucher recipients to provide information on the services that Resident Services offer. Additionally, the Resource Services team continues to provide services to persons with disabilities to meet their service needs.

Highlights for October activities of resident counselors include the following:

- 1) Cider Mill
 - a) The Montgomery County Department of Health and Human Services' Street Outreach Network ("SON") began its facilitation of Safe Zones at Cider Mill in October. Safe Zones is an afterschool initiative that provides safe places and programming for youth. The goal of the initiative is to prevent violence in the community. Resident Services staff will work in partnership with SON to expand the initiative to Seneca Ridge.
 - b) Facilitated a multicultural enrichment event at Cider Mill on October 27, 2022 to promote learning of other cultures.
 - c) Continued to assist the Property Management staff to address rent delinquencies by conducting outreach, assessments, and providing referrals.
- 2) Workshops
 - a) Facilitated resource-sharing workshops on October 25 and October 26.
 - b) Facilitated a computer-coaching workshop at Forest Oak Towers on October 20.
- 3) Resident Well Being
 - a) In partnership with St. John's Church of Bethesda, facilitated the nutritional education and food distribution event at Waverly House in Bethesda on each Friday during October.
 - b) **Community bingo activity at Forest Oak Towers on October 13 and 20.**
 - c) Continued the coordination of the University of Maryland Nursing Program for residents of Arcola Towers and Residences on the Lane.
 - d) Facilitated the Senior Fitness Program at Forest Oak Towers on October 20.
 - e) Delivered food to seniors and persons with disabilities at Stewartown Homes.

- f) Facilitated an ice cream social for customers on October 13 at Waverly House, in partnership with the Arts for the Aging Program.
 - g) **Facilitated art workshop for customers on October 6 and 20 at Arcola Towers in partnership with the Arts for the Aging Program.**
 - h) Facilitated an ice cream social on October 13 at Waverly House in partnership with the Arts for the Aging Program.
 - i) **Facilitated Fall in-person interactive concert at Forest Oak Tower in partnership with the Arts for the Aging Program.**
 - j) **Facilitated a community event at Tanglewood Apartments on October 26 to celebrate the retirement of longtime counselor Antoinette Walker and introduce the new counselor to the community.**
- 4) Relocation and Re-Certification Assistance
- a) Assisted customers on an ongoing basis with relocations and other needs for RAD and renovation projects at Residences on the Lane, Stewartown Homes, Shady Grove Apartments, Willow Manor Apartments, Bauer Park, Town Center Olney, Sandy Spring, Willow Manor and Georgian Court.
 - b) Provided continued outreach and assistance to customers who have failed to submit all required documents for re-certification by the stated deadline.
- 5) Rental Assistance
- a) Provided face-to-face and electronic outreach and assistance to customers with applications for rental assistance programs.

The Resident Services Division develops and implements programs that provide meals, educational, recreational and enrichment opportunities for HOC's customers. Listed below are highlights of programming activities for October 2022.

The Resident Services Division continued to provide food resources and other support with the help of Manna Food Center, Emmanuel Brinklow Seventh Day Adventist Church, Montgomery County Senior Nutrition Lunch Program, and the Capital Area Food Bank's Senior Brown Bag, and My Groceries To Go Programs. In October, 400 HOC customers were provided with food. The Resident Services staff also continued to facilitate the Senior Nutrition Program. The Senior Nutrition Program provides meals and opportunities for seniors to socialize.

The Resident Services Division facilitated three Fall Harvest community events in October. These were aimed at engaging our customers, sharing information on resources, and to celebrate the fall season. These events were held at Magruder's Discovery (October 21), Seneca Ridge (October 21) and Paddington Square (October 26).

HOC Academy

The HOC Academy is an Agency initiative developed by HOC to help its customers reach their fullest potential by providing educational, enrichment, job training and job placement opportunities to youth and adults. The program specifically focuses on education and enrichment for youth education and workforce development for adults. Listed below are the highlights for the month of October 2022.

Youth Education/Enrichment

HOC Academy staff continued with the facilitation of the STEAM Forward program in October. **The highlight for the month was the program's first field trip to the iFly Indoor Sky Diving facility in Gaithersburg.** The HOC Academy staff also continued to recruit youth for the STEAM Forward's College Success Program, which will begin in November 2022.

Adult Education and Workforce Development

Two (2) Small Business Strategy Course ("SBSC") alumni from FY'22 completed the legalization process for their business in October 2022. The following alumni established trade names for their businesses that will assist with the marketing of their products and services.

- Shayla Ford; Trusted Blessings Incorporated
- Lakesia Dempsey; 4 My Neighbor

The HOC Academy staff hosted a marketing webinar titled "Integrate MailChimp to Your Website" on October 12. Additionally, the Small Business Strategy Course (Cohort #3) began classes on October 17.

Financial Literacy

The Financial Literacy Coach continued to work with HOC's customers and individuals on the Housing Path waitlist to begin to establish a strong financial foundation. During October, the Financial Literacy Coach provided one-on-one financial literacy coaching to 13 HOC customers and 18 individuals from the HousingPath waitlist. The coaching sessions continued to cover topics including: creating a working budget, identifying disposable income, reading one's credit report, and creating and accomplishing monthly financial goals. During October, the Financial Literacy Coach also facilitated financial literacy workshops. Six (6) HOC customers and five (5) individuals from the waitlist attended the workshops.

Supportive Housing

The Supportive Housing Program provides housing assistance and case management services to 239 participants who are formerly homeless with disabilities, servicing some of the most vulnerable residents of the county. In October, program staff continued to conduct home visits with program participants, provide case management services and pay rent and utilities. Additionally, program staff also continued to help Emergency Voucher recipients to secure housing and provide financial assistance.

Program staff also continued to implement the Rent Supplement Program ("RSP"), which provides a shallow rental subsidy (up to \$600 monthly) to county residents who struggle to pay their full rent with their current income. The program serves a large number of seniors on fixed incomes. Program turnover continues to create a challenge in achieving full program utilization. Program staff continued to work to address this issue, but the chief impediment continues to be the low yield from call-ups from the Housing Path wait list. Applicants who are called up often do not respond, fail to submit required paperwork, or are determined ineligible for a variety of reasons. Staff continues to reach beyond the wait list for eligible applicants by engaging with Resident Counselors, DHHS, and have recently enrolled new participants directly from HOC's age-restricted properties. In October, staff engaged new landlords for the program and was able to increase the total number of participants to 261. The number of

participants that can be served is approximately 275. Program staff will be working in November to engage additional landlords and increase program participation.

Fatherhood Initiative

The Fatherhood Initiative is a national program funded by the U.S. Department of Health and Human Services. HOC is the first and only housing agency to be awarded a grant under the Fatherhood Initiative. HOC completed its first five-year grant as a 'best practice' model. HOC was awarded an additional grant and is currently in year three of the new grant period. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. In October, the program enrolled 38 fathers for the first cohort of the new grant year. **Additionally, the program facilitated a Fall pumpkin painting event for fathers and their children on October 21. The purpose of this event was to promote engagement between fathers and their children and to celebrate the Fall season.**

HOUSING RESOURCES DIVISION UPDATE

Housing Choice Voucher ("HCV") Program

Monthly, HOC selects applicants from the Housing Path Waitlist to achieve a 95% program utilization rate. The current utilization rate remains 95%. There are currently 253 families who have been issued vouchers and are searching for suitable units to rent; 151 contracts are pending execution. Four-Hundred families were selected from the HCV wait list last month.

During the month of October, the Housing Resources Division received one request for voucher extension beyond the initial 90-day period. The requests include search records reflecting the efforts made to secure housing during the voucher term and the landlords who were contacted. This request for an extension warranted a referral to the Human Rights Commission and the Commission on Civil Rights for possible discrimination.

Sixty-one (61) customers were recommended for program termination effective October 1, 2022. The Resident Services Division worked in collaboration with the Housing Resources Division to assess client needs and why the recertifications were not completed.

The Resident Services Counselors conducted outreach to every customer in the termination window to ascertain why the annual requirement was not completed and provide assistance. They were able to assist 29 families with the recertification requirement and overturn the termination. Termination proceedings will continue for 32 families for the following reasons:

- 1 – Deceased
- 1 – Nursing Home
- 30 – Unable to reach by phone or email. Counselors left messages

The Housing Resources Division will continue to work collaboratively with the Resident Services Division to assist those customers facing termination.

Emergency Housing Vouchers (“EHVs”)

HOC has an allocation of 118 Emergency Housing Vouchers. Currently 85 families have successfully leased units. Thirteen families with issued vouchers are searching for suitable units to rent. Staff are reviewing six certification packets to determine program eligibility. HOC requested 14 additional referrals from HHS for the EHV Program.

Family Self Sufficiency (“FSS”) Update:

Due to the ongoing Covid-19 pandemic, all meetings and recruitment activities are conducted virtually. Staff continues to engage in marketing the FSS program to Housing Choice Voucher participants by phone and regular virtual information sessions. The FSS team conducted two virtual information sessions in October for prospective applicants.

FSS Case Managers continue to work with customers on their long- and short-term self-sufficiency goals. During monthly remote meetings, Case Managers offer emotional support and provide resources to address the challenges and concerns families are experiencing. Participants are encouraged to be proactive in dealing with challenges and to create contingency plans to address potential issues.

One family graduated from the FSS program in the month of October with an earned income of \$81,900. She obtained employment in the housing field as a Property Manager and exited the Housing Choice Voucher program.

Marcus Brown, FSS Coordinator joined the HOC team on October 31, 2022. He is responsible for the management oversight of the FSS Program. Marcus has an extensive case management background that will enhance the services provided to our FSS customers.

In response to the Streamlining and Implementation of Economic Growth, Regulatory Relief, and Consumer Protection Act Changes to the Family Self-Sufficiency Program, staff has prepared letters to our FSS customers apprising them of the regulatory changes and encouraging them to transfer to the new Contract of Participation (“CoP”). The new CoP has many advantages; however, FSS customers may continue to fulfill the obligations under the old contract if desired. HUD approved the FSS Action Plan submitted on September 21, 2022. As a result, staff have resumed enrollment efforts to increase the FSS Program size.

INFORMATION TECHNOLOGY DIVISION UPDATE

Yardi PHA Client Portal for RENTCafe

The Housing Choice Voucher program participants’ utilization of the Yardi PHA Client Portal for RENTCafe continues to grow. The total population of registered HCV participants and participants who have been contacted to enroll in the system increased from 1,886 to 2,469 (30.9%). Below are recent statistics since enrollment of the first cohort began after the launch of the portal on July 11, 2022.

Status of HCV Participant System Enrollment and Recertification	9/28/2022	10/26/2022	Rate of Increase
Completed registration	1,423	1,834	+28.8%
Contacted for enrollment	463	635	+37.1%
Completed annual recertification online	988	1,346	+36.2%

Seventy-three (73%) of registered participants have completed their annual recertification online through the portal. There was a slight increase in this measure from last month’s report, which resulted from making the month of February 2023 available, in addition to November 2022 – January 2023, for registered participants to complete their online annual recertification.

Written and electronic communications continue to be sent to the first cohort of HCV program participants who have not registered or have registered, but not started their online annual recertification process for follow up. A second cohort of 712 HCV program participants were invited to begin the enrollment process in early October.

October is Cybersecurity Awareness Month

October marked “Cybersecurity Awareness Month”. In 2004, the National Cyber Security Alliance and the U.S. Department of Homeland Security (“DHS”) launched this initiative to help all Americans perform activities online more safely and securely. As businesses and organizations have increasingly relied on online transactions and services to conduct business, the role of every day computer users in the protection of data and information systems is critical to defending against ever increasing cyberattacks that can threaten business operations.

Cybersecurity awareness education is one way to mitigate this risk. IT launched a phishing campaign for HOC staff; phishing involves sending e-mail messages that appear to be sent from reputable sources to trick users into revealing personal or company information. The phishing campaign simulated a phishing attack in a controlled manner and provided training to those users were lured into clicking hyperlinks in the phishing email message. The results of the phishing campaign will be considered in the training plan for cybersecurity awareness education at HOC.

IT Support for HOC Events

The Information Technology Division serves as a critical partner to support the agency’s virtual and in-person events, which help promote services and community support for our staff, residents and housing program participants. Most recently, IT provided event support for the INSPIRE Celebration in Rockville, MD on October 13, 2022. The IT Events team was responsible for pre-testing and staging equipment, transporting the equipment, configuring, testing and setting up equipment on-site, providing audio-visual and technical support during the event and securing and transporting equipment back to HOC. The success of this event was a major collaborative effort of which the IT Division was pleased to have been involved.

REAL ESTATE DEVELOPMENT DIVISION UPDATE

The Executive Director and several members of staff toured multiple properties, some of which are currently under construction, including the new Upcounty Customer Service Center. The sites visited during the tour were The Laureate (under construction), Washington Square (stabilized), Residences on the Lane (new lease up), and The Leggett (under construction).

Brief summaries are provided for the developments we visited that are under construction. Summaries are also provided below for three resyndication properties that are undergoing substantial renovations (Shady Grove, Georgian Court, and Stewartown Homes). Additionally, a summary of the Community Development Network (“CDN”) tour of Heritage Emory Grove as part of CDN’s annual Community Development Week is included with this report.

The Laureate

On November 2, 2022, HOC staff toured the under-construction Laureate development, a joint venture between HOC and its development partners EYA and Bozzuto Development. Formerly known as Westside at Shady Grove, the Class-A, new-construction mixed-income and mixed-use housing development is a short walk to the Red Line Shady Grove Metro Station. The \$121 million, 268-unit, transit-oriented development will house the future HOC UpCounty Service Center and feature a variety of unit types, of which 30% (80 units) will be affordable, including 67 units at 50% AMI and 13 units at 65% AMI (MPDU income limit). The tour route consisted of viewing a nearly finished residential unit, the community’s common area amenities, outdoor courtyard and pool, and the HOC Service Center, which is currently in the drywall phase, and receiving the first coat of painting stage. Construction work continues throughout the building, with the first unit deliveries slated for a Q4 2022 delivery with completion in the spring of 2023.

The Leggett/SCRRAC

At nearly 94% complete, construction progress continues at The Leggett and the South County Regional Recreation and Aquatic Center (“SCRRAC”), which upon completion, will represent one of Montgomery County’s cornerstone senior living mixed-income and mixed-use communities located in downtown Silver Spring. Formerly known as Elizabeth House III (EH-III), the Leggett will honor and memorialize former County Executive Isiah (Ike) Leggett, which under his leadership in Montgomery County, has created an extraordinary legacy of advocacy for senior housing for many generations to come. The Leggett will welcome people from surrounding neighborhoods to a destination where seniors can thrive within modern residences, benefit from a senior wellness center, and enjoy shopping and dining surrounded by green spaces and walking paths for a truly holistic experience.

The Leggett will be a pioneering senior housing community consisting of 267 mixed-use and mixed-income units (including replacement housing for the current Elizabeth House residents), the South County Regional Recreation and Aquatic Center, and a Senior Resource Center/Primary Care Facility that will be operated by Holy Cross Hospital, all located on Elizabeth Square. Recent construction activities include the initial installation of vital water and gas service throughout the building, which will allow Costello Construction to continue with cleaning and preparing the future residential units for quality assurance walkthroughs by HOC, Habitat Management, and partners for occupancy in Q1 2023. Work to the SCRRAC is concurrent with exterior and interior work ongoing, in addition to testing of the building’s

primary life safety and physical plant systems, finish trades and amenity spaces. The SCRRAC is slated to be completed within Q1 2023 following turnover of the Leggett.

LIHTC Resyndications: Shady Grove Apartments | Georgian Court Apartments | Stewartown Homes

Renovations continue at the 144 units **Shady Grove Apartments** and 147-unit garden-style multifamily **Georgian Court** community, with both communities just over 50% complete. The general contractor, Hamel Builders, is renovating the residential units and making substantial improvements to the community rooms at each development. Shady Grove will see a dramatic physical change that will enhance the front door and leasing experience for residents and the office staff and add much-needed activity space, including a new fitness center. Georgian Court will benefit from an exterior addition to its community room that will add programming space and better overall circulation.

The 94-unit **Stewartown Homes** is approaching the final phase of renovations with an approximate completion of December 2022. The attached photos are of a finished residential unit and improvements to the existing community room, which Harkins Builders is managing.

Heritage Emory Grove – Community Development Network

On October 27, 2022, HOC staff participated in an all-day site tour and speaking panel held by the Community Development Network (“CDN”) at Heritage Emory Grove as part of CDN’s annual Community Development Week. Every year during Community Development Week, CDN highlights exciting and innovative community development projects throughout the state.

It was a great event that featured guests and presenters, including local government officials such as Councilmember Andrew Friedson, Aseem Nigam with DHCA, elders from the Emory Grove community, historians, and local development professionals, including Habitat America. The event provided additional historical context on the racial injustices and practices that led to division and loss of the pillars of the Washington Grove and Emory Grove communities, respectively, which are the genesis and foundation for the future development plan to restore what was lost.

Attendees toured the future development sites of the Heritage Emory Grove project, including Johnson's Local Park, HOC's holdings (Emory Grove and Camp Hill Square), and the Emory Grove Church-owned properties. The event concluded at Pastor Warner's Emory Grove United Methodist Church for a Q&A panel with community members, HOC & Habitat America to discuss the plan moving forward, our roles in seeing the vision realized, and how the community can engage in this process.

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

October 5, 2022

22-10

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Wednesday, October 5, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:04 p.m. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jeffrey Merkowitz
Jackie Simon

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Ian-Terrell Hawkins
Jennifer Arrington
Marcus Ervin
Darcel Cox
Eugenia Pascual
Jay Shepherd
Nathan Bovelle
David Brody

Kayrine Brown, Deputy Executive Director
Timothy Goetzinger
Lynn Hayes
Fred Swan
Karlos Taylor
Nilou Razeghi
Paige Gentry
Bonnie Hodge
Alex Torton
Terri Fowler

Also Attending via Zoom

Paulette Dudley
Ellen Goff
John Broullire
Matt Husman

John Broullire
Leidi Reyes

IT Support

Irma Rodriguez
Aries "AJ" Cruz
Genio Etienne

Commission Support

Patrice Birdsong, Special Assistant to the Commission

Chair Priest opened the meeting welcoming all to the monthly meeting. There was a roll call of Commissioners participating.

I. **Information Exchange**
Community Forum

- There were no speakers who signed up to address the Board.

Executive Director

- Chelsea Andrews, Executive Director, provided an overview of the written report as well as a slide presentation of events. Executive Director Andrews, Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, and Zachary Marks, Chief Real Estate Officer, addressed questions and comments of the Commissioners. Executive Director Andrews also reported that HOC received “High Performer” status from HUD for the Section Eight Management Assessment Program (SEMAP).

Commissioner Exchange

- Chair Priest reported on the NAHRO Conference in San Diego, CA held on September 24, 2022. There was good training provided for Commissioners, and a great networking opportunity.

- II. **Approval of Minutes** – The minutes were approved with an amendment to the Public Hearing Minutes of September 12, 2022 to reflect the following edits to the first paragraph, second and third sentences: *“On July 29, 2022 HOC posted a notice of the Public Hearing and a draft of the proposed FSS Action Plan Revisions on its own website. HOC also published in the Washington Post and Washington Post Hispanic a notice of the Public Hearing along with the fact that the proposed plan was available on its website”* With this amendment Vice Chair Kelleher made the motion and it was seconded by Commissioner Simon. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.

A. Approval of Amended Minutes of September 12, 2022 Public Hearing: Family Self-Sufficiency (FSS) Action Plan

B. Approval of Minutes of September 14, 2022

III. **COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION**

A. Budget, Finance and Audit Committee – Com. Nelson, Chair

1. Fiscal Year 2022 Fourth Quarter Budget to Actual Statements: Acceptance of Fourth Quarter FY’22 Budget to Actual Statement

Chair Pro Tem Nelson opened the floor to Executive Director Andrews who provided an overview indicating that the agency ended in a surplus of over one million dollars, and requesting approval to divide 50% to the general fund operating reserve and 50% to the opportunity housing property reserve. Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, introduced Terri Fowler, Budget Officer, who provided the presentation requesting that the Commission accept the fourth quarter

budget to actual statement and authorize dividing of the surplus of funds for future operational needs and capital needs of HOC properties in FY'23 and FY'24 budgeting development.

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

RESOLUTION NO.: 22-68

**RE: Acceptance of the Fourth Quarter FY'22
Budget to Actual Statements**

WHEREAS, the Budget Policy for the Housing Opportunities Commission of Montgomery County ("HOC" or "Commission") states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the Fourth Quarter FY'22 Budget to Actual Statements during its October 5, 2022 meeting; and

WHEREAS, HOC ended FY'22 with an operating surplus of \$1,012,001; and

WHEREAS, it is recommended that the surplus of \$1,012,001 be restricted 50% or \$506,000 the General Fund Operating Reserve ("GFOR") for future operational needs, and 50% or \$506,001 to the Opportunity Housing Property Reserve ("OHPR") to help replenish the reserve to fund the shortfalls for capital needs that can be expected during the FY'23 and FY'24 budget season.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Fourth Quarter FY'22 Budget to Actual Statements.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes that the surplus of \$1,012,001 be restricted 50% or \$506,000 the GFOR for future operational needs, and 50% or \$506,001 to the OHPR to help replenish the reserve to fund the shortfalls for capital needs that can be expected during the FY'23 and FY'24 budget season.

2. Fiscal Year 2022 First Quarter Budget Amendment: Approval of the FY'23 First Quarter Budget Amendment

Chair Pro Tem Nelson opened the floor to Executive Director Andrews who provided an overview. Executive Director Andrews indicated that the request is to make modifications to the FY'23 First Quarter Budget. She explained that the overall impact is a surplus of over \$125,000. Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, introduced Terri Fowler, Budget Officer, who provided the presentation requesting approval of the amendment to reflect an accurate plan for the use of the Agency's financial resources for the remainder of the fiscal year.

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

RESOLUTION NO.: 22-69

**RE: Approval of FY 2023 First Quarter Budget
Amendment**

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") adopted a budget for FY'23 on June 8, 2022; and

WHEREAS, the Commission's Budget Policy allows for amendments to the budget; and

WHEREAS, the net effect of the FY'23 First Quarter Budget Amendment is a surplus of \$125,080, which will decrease the anticipated draw from the General Fund Operating Reserve ("GFOR") of \$1,113,018 by \$125,080 to \$987,938 to maintain a balanced budget; and

WHEREAS, the total FY'23 Operating Budget increased from \$311,867,377 to \$316,381,237; and

WHEREAS, the total FY'23 Capital Budget increased from \$247,234,453 to \$247,475,453;
and

WHEREAS, approval of the budget amendments to revise the FY'23 budget will reflect an accurate plan for the use of the Commission's resources for the remainder of FY'23.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby amends the FY'23 Operating Budget by increasing total revenues and expenses for the Commission from \$311,867,377 to \$316,381,237.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the FY'23 Capital Budget by increasing revenues and expenses for the Commission from \$247,234,453 to \$247,475,453.

3. Uncollectible Tenant Accounts Receivable: Presentation of the FY'23 First Quarter Budget Amendment

Chair Pro Tem Nelson opened the floor to Executive Director Andrews who provided an overview highlighting that staff will continue to work towards collection efforts as it pertains to the write-off. Executive Director Andrews introduced Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, who introduced Nilou Razeghi, Accounting Manager, who provided the presentation.

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

RESOLUTION NO.: 22-70

**RE: Authorization to Write-Off Uncollectible
Tenant Accounts Receivable**

WHEREAS, the current policy of the Housing Opportunities Commission of Montgomery County ("HOC") is (i) to provide for an allowance for tenant accounts receivable balances that are delinquent for more than ninety (90) days; and (ii) to propose the write-off of former tenant balances; and

WHEREAS, staff periodically proposes the write-off of uncollected former tenant balances, which updates the financial records to accurately reflect the receivables and the potential for collection; and

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period of April 1, 2022 – June 30, 2022 is \$127,482, consisting of \$101,847 from Opportunity Housing properties, \$23,773 from Supportive Housing Properties and \$1,862 from LIHTC/RAD Properties.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or her designee, without further action on its part, to take any and all actions necessary and proper to write off \$127,482 in uncollectible accounts receivable related to (i) tenant balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

4. Extension of Existing Property Management Contracts: Arcola Towers, Avondale Apartments, Barclay Apartments, Bauer Park Apartments, Camp Hill Square, Dale Drive, Fairfax Court Manchester Manor Apartments, The Metropolitan, Pooks Hill Court, Residences on the Lane, Shady Grove Apartments, Southbridge, Spring Garden Apartments, Strathmore Court at White Flint, Tanglewood, The Willows, Timberlawn Crescent and Waverly House Apartments

Chair Pro Tem Nelson opened the floor to Executive Director Andrews who provided an overview highlighting the proposed procurement process that will best reflect the agency’s core values. Executive Director Andrews introduced Nathan Bovelleville, Chief Maintenance Officer, and Alex Torton, Asset Manager, who provided the presentation. Staff addressed comments and questions of the Board regarding customer service survey feedback.

Note to the record, during this presentation Commissioner Merkowitz was necessarily absent.

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

RESOLUTION NO.: 22-71

RE: Extension of Property Management Contracts for Arcola Towers, Avondale Apartments, Barclay One, Bauer Park Apartments, Camp Hill Square, Dale Drive, Fairfax Court, Manchester Manor Apartments, The Metropolitan, Pooks Hill Court, Residences on the Lane, Shady Grove Apartments, Southbridge, Spring Garden Apartments, Strathmore Court at White Flint, Tanglewood, The Willows, Timberlawn Crescent and Waverly House Apartments

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the sole member of Arcola Towers RAD GP LLC, the general partner of Arcola Towers RAD Limited Partnership (“Arcola Towers LP”), the owner of Arcola Towers located in Kensington, Maryland (“Arcola Towers”); and

WHEREAS, HOC is the sole member of HOC at Avondale, LLC (“Avondale LLC”), the owner of Avondale Apartments located in Bethesda, Maryland (“Avondale Apartments”); and

WHEREAS, HOC is the general partner of Barclay One Associates Limited Partnership (“Barclay LP”), and Barclay LP partly owns Barclay Apartments located in Chevy Chase, Maryland (“Barclay Apartments”); and

WHEREAS, HOC is the managing member of Bauer Park Apartments, LLC, the general partner of Bauer Park Apartments LP (“Bauer Park LP”), the owner of Bauer Park Apartments located in Rockville, Maryland (“Bauer Park Apartments”); and

WHEREAS, HOC owns Camp Hill Square, located in Gaithersburg, Maryland (“Camp Hill Square”); and

WHEREAS, HOC owns Dale Drive, located in Silver Spring, Maryland (“Dale Drive”); and

WHEREAS, HOC owns Fairfax Court Apartments, located in Chevy Chase, Maryland (“Fairfax Court”); and

WHEREAS, HOC is the general partner of Manchester Manor Apartments Limited Partnership (“Manchester LP”), the owner of Manchester Manor Apartments, located in Silver Spring, Maryland (“Manchester Manor”); and

WHEREAS, HOC is the general partner of The Metropolitan of Bethesda Limited Partnership (“Metropolitan LP”), and Metropolitan LP partly owns The Metropolitan, located in Bethesda, Maryland (“The Metropolitan”); and

WHEREAS, HOC owns Pooks Hill Apartments (midrise), located in Bethesda, Maryland (“Pooks Hill Court”); and

WHEREAS, HOC is the managing member of HOC MM Upton II, LLC, the managing member of HOC at the Upton II, LLC (“Upton LLC”), the owner of Residences on the Lane, located in Rockville, Maryland (“Residences on the Lane”); and

WHEREAS, HOC is the sole member of HOC MM Shady Grove, LLC, the managing member of HOC at Shady Grove, LLC (“Shady Grove LLC”), the owner of Shady Grove Apartments, located in Rockville, Maryland (“Shady Grove Apartments”); and

WHEREAS, HOC owns Southbridge, located in Takoma Park, Maryland (“Southbridge”); and

WHEREAS, HOC is the general partner of Spring Garden One Associates Limited Partnership (“Spring Garden LP”), the owner of Spring Garden Apartments, located in Silver Spring, Maryland (“Spring Garden Apartments”); and

WHEREAS, HOC is the general partner of Strathmore Court Associates Limited Partnership (“Strathmore LP”), the owner of Strathmore Court, located in Bethesda, Maryland (“Strathmore Court”); and

WHEREAS, HOC is the sole member of HOCMC, LLC, the general partner of Tanglewood and Sligo LP (“Tanglewood LP”), the owner of Tanglewood, located in Silver Spring, Maryland (“Tanglewood”); and

WHEREAS, HOC is the general partner of The Willows of Gaithersburg Associates Limited Partnership (“Willows LP”), the owner of The Willows, located in Gaithersburg, Maryland (“The Willows”); and

WHEREAS, HOC is the sole member of Timberlawn and Pomander Properties LLC (“Timberlawn LLC”), the owner of Timberlawn Crescent, located in Rockville, Maryland (“Timberlawn”); and

WHEREAS, HOC is the sole member of Waverly House RAD GP LLC, the general partner of Waverly House RAD Limited Partnership (“Waverly LP”), the owner Waverly House Apartments, located in Bethesda, Maryland (“Waverly House”); and

WHEREAS, staff desires to extend the current property management contracts at Camp Hill Square, Pooks Hill Court, Residences on the Lane, Shady Grove Apartments, Spring Garden Apartments, and The Willows until September 1, 2023 with Edgewood Management Corporation; and

WHEREAS, staff desires to extend the current property management contracts at Arcola Towers, Avondale Apartments, Bauer Park Apartments, and Waverly House until December 31, 2023 with Edgewood Management Corporation; and

WHEREAS, staff desires to extend the current property management contracts at The Metropolitan and Strathmore Court until December 31, 2023 with Bozzuto Management Company; and

WHEREAS, staff desires to extend the current property management contracts at Barclay Apartments, Dale Drive, Fairfax Court, Manchester Manor, Southbridge, and Tanglewood until March 31, 2024 with Residential One; and

WHEREAS, staff desires to extend the current property management contract at Timberlawn until March 31 2024, with Edgewood Management Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Arcola Towers LP, as the sole member of its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Arcola Towers with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Avondale LLC, as its sole member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Avondale Apartments with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Barclay LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Barclay Apartments with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Bauer Park LP, as the managing member of its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Bauer Park Apartments with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Camp Hill Square with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Dale Drive with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Fairfax Court with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Manchester LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Manchester Manor with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Metropolitan LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at The Metropolitan with Bozzuto Management.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Pooks Hill Court with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Upton LLC, as its managing member of its managing member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Residences on the Lane with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Shady Grove LLC, as the sole member of its managing member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Shady Grove Apartments with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Southbridge with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Spring Garden LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Spring Garden Apartments with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Strathmore LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Strathmore Court with Bozzuto Management.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Tanglewood LP, as the sole member of its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Tanglewood with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Willows LP, as its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at The Willows with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Timberlawn LLC, as its sole member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Timberlawn with Residential One.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Waverly LP, as the sole member of its general partner, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute an extension of the property management contract at Waverly House with Edgewood Management Corporation.

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

1. Single Family: Approval of New Participating Lenders for the Single Family Mortgage Purchase Program

Commissioner Simon opened the floor to Executive Director Andrews who provided an overview requesting approval of new participating lenders for the Single Family Mortgage Purchase Program. Executive Director Andrews introduced Jennifer Washington, Acting Director Mortgage Finance, and Paulette Dudley, Program Specialist, to provide the presentation.

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

RESOLUTION NO.: 22-73

RE: Approval of New Participating Lenders for the Single Family Mortgage Purchase Program

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) approves lenders to participate in the Single Family Mortgage Purchase Program (“MPP”); and

WHEREAS, such participation is continuous and for multiple programs; and

WHEREAS, the Commission has approved an ongoing process for adding new lenders to the MPP;
and

WHEREAS, Meridian Bank, Bay Capital Mortgage Corporation, WesBanco Bank, Inc., and Direct Mortgage Loans, LLC (together, the “New Lenders”) have applied for participation in the MPP; and

WHEREAS, the New Lenders have satisfied the required criteria for admittance into the MPP.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the New Lenders are approved for participation in the MPP, effective immediately.

Chair Priest called a recess at 5:23 p.m. The meeting was reconvened at 5:30 p.m.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Vice Chair Kelleher seconded the motion, with Commissioners Priest, Kelleher, Nelson, Byrd, Croom, and Simon voting in approval. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

Based upon this report and there being no further business to come before this session of the Commission, the Commission unanimously adjourned the open session at 5:30 p.m., and reconvened in closed session at 5:39 p.m.

In compliance with Section 3-306(c)(2), General Provisions Article, Maryland Code, the following is a report of the Housing Opportunities Commission of Montgomery County’s closed session held on October 5, 2022 at approximately 5:39 p.m. at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13) to discuss and obtain legal advice from counsel about ongoing litigation impacting Westwood Tower Apartments (pursuant to Sections 3-305(b)(7) and Section 3-305(b)(8)) that is subject to attorney-client privilege (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated October 5, 2022 was adopted on a motion made by Roy Priest, seconded by Frances Kelleher, with Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, and Jackie Simon voting in favor of the motion. Commissioner Merkowitz was necessarily absent and did not participate in the vote. The following persons were present for the discussion: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jackie Simon, Chelsea Andrews, Aisha Memon, and Patrice Birdsong.

In closed session, the Commission discussed the below topic and took the following action:

1. **Topic:** Discussion with counsel about ongoing litigation impacting Westwood Tower Apartments (pursuant to Sections 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13)).

- a. **Action Taken:** No action taken.

The closed session was adjourned at 6:12 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

October 25, 2022

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform and teleconference on Tuesday, October 25, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 11:06 a.m. Those in attendance were:

Present

Frances Kelleher, Vice Chair
Jeffrey Merkowitz
Jackie Simon

Via Zoom

Roy Priest, Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd

Absent

Linda Croom

Also Attending

Chelsea Andrews, Executive Director
Kayrine Brown, Deputy Executive Director
Aisha Memon, General Counsel
Zachary Marks
Marcus Ervin
Ellen Goff
Paige Gentry

Also Attending via Zoom

Timothy Goetzinger

Leidi Reyes

IT Support

Irma Rodriguez
Aries Cruz

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

I. **ITEMS REQUIRING DELIBERTION and/or ACTION**

A. **Discussion on Core Values and Scoring Metrics for Property Management RFPs**

Chair Priest opened the meeting welcoming all to the Special Session convening to discuss the Request For Procurement (RFP) Process. The session will be conducted by the Staff and Commissioners will engage as appropriate. Chair Priest opened the floor to Executive Director Chelsea Andrews.

Executive Director Andrews along with select staff provided a presentation related to the core values related to the Property Management RFP, and how the Commission as an organization values different components when evaluating potential responders in conducting business. Executive Director Andrews explained that this is part one of a two-part series consisting of Staff's recommendations, and to provide an opportunity to share thoughts and feedback.

Leidi Reyes, Procurement Officer, Zachary Marks, Chief Real Estate Officer, and Marcus Ervin, Director of Real Estate, all provided presentation explaining core values and scoring metrics.

There was detailed discussion between the Board and Staff. Questions and comments were addressed throughout the presentation.

No formal action was required. There will be a part two discussion to be scheduled.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

Committee Reports and Recommendations for Action

Budget, Finance & Audit Committee

CALENDAR YEAR 2023 (CY'23)
PORTFOLIO BUDGETS: APPROVAL OF THE CY'23 PORTFOLIO
BUDGETS

November 16, 2022

- The Budget, Finance and Audit Committee informally reviewed the CY'23 Portfolio Budgets at the October 21, 2022 meeting, which includes 16 calendar year Low Income Housing Tax Credit (“LIHTC”) partnerships and the Lindley.
- The CY'23 budgets project \$157,212 in Partnership Management Fees that will be paid to the Agency for CY'23 by the following properties: Alexander House Apartments Limited Partnership (Alexander House), Arcola Towers RAD Limited Partnership (Arcola Towers), Forest Oak Towers Limited Partnership, HOC at Georgian Court, LLC (Georgian Court), Greenhills Apartment Limited Partnership (Greenhills), 4913 Hampden Lane Limited Partnership (Lasko Manor), HOC at Shady Grove, LLC (Shady Grove), Tanglewood and Sligo LP (Tanglewood/Sligo Hills), HOC at The Upton II, LLC (Residences on the Lane), and Wheaton Metro Limited Partnership (MetroPointe).
- The CY'23 budgets assume a rent increase of 1.4% based on the County Executive’s “modified” Voluntary Rent Guideline (“CE-VRG”) of 1.4%. The CE-VRG was promulgated on February 4, 2022 at 0.4%; however, on May 9, 2022, the County announced a one-time exception and provided authorization for providers to use 1.4% in lieu of the aforementioned published 0.4% VRG for 2022. Increases at Arcola Towers, Bauer Park, Forest Oak Towers, Shady Grove, Georgian Court and Waverly House are projected at or below 2.5% based on the latest Operating Cost Adjustment Factor (“OCAF”).
- The Budget, Finance and Audit Committee joins the staff recommendation for the full Commission to approve the CY'23 Portfolio Budgets as presented.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Timothy Goetzinger, Acting Chief Financial Officer Division: Finance
Terri Fowler, Budget Officer
Vivian Ikoro, Financial Analyst

RE: **Calendar Year 2023 (CY'23) Portfolio Budgets:** Approval of the CY'23 Portfolio Budgets

DATE: November 16, 2022

OVERALL GOAL & OBJECTIVE:

To approve the Agency's CY'23 Portfolio Budgets.

BACKGROUND:

Historically, the Commission approved Calendar Year budgets for Low Income Housing Tax Credit ("LIHTC") Partnerships only. The Lindley is operated on a calendar year basis as well; therefore, it is included in the packet for Approval of Calendar Year CY'23 Portfolio Budgets.

Low Income Housing Tax Credit Partnership Budgets

As Managing General Partner, HOC has a fiduciary responsibility for each of the LIHTC Partnerships. The current HOC budget policy stipulates that the financial performance and budgets of the LIHTC Partnerships should be reviewed on the same fiscal year as its partners (December 31). The LIHTC Partnership Budgets require adoption by the Commission, separate from the Agency's general budget process.

There are 16 calendar year LIHTC partnerships that own the following 18 properties:

1. Alexander House LP (Alexander House);
2. Arcola Towers RAD LP (Arcola Towers);
3. Bauer Park Apartments LLC (Bauer Park);
4. Forest Oak Towers LP (Forest Oak Towers);
5. HOC at Georgian Court LLC (Georgian Court);
6. Greenhills Apartments LP (Greenhills);
7. 4913 Hampden Lane LP (Lasko Manor);
8. HOC Willow Manor LLC (3 properties):
 - a. Manor at Cloppers Mill,
 - b. Manor at Colesville,

- c. Manor at Fair Hill Farm;
- 9. HOC at Shady Grove Apartments LLC (Shady Grove);
- 10. Spring Garden One Associates LP (Spring Garden);
- 11. HOC at Stewarttown Homes LLC (Stewarttown);
- 12. Tanglewood/Sligo Hills LP (Tanglewood/Sligo Hills);
- 13. 900 Thayer LP (Fenton Silver Spring);
- 14. HOC at The Upton II LLC (Residences on the Lane);
- 15. Waverly House RAD LP (Waverly House); and
- 16. Wheaton Metro LP (MetroPointe).

As general partner, HOC is responsible for submitting draft copies of the CY’23 Proposed Budgets to the limited partners by November 1, 2022. The final budgets are contingent upon the Commission’s approval.

Attachment 1 includes the initial compliance period end dates, status of the limited partner exit, and extended use after the initial compliance period for all HOC’s calendar year LIHTC partnership properties.

Other Calendar Year Budgets

CCL Multifamily LLC (The Lindley) is a 200-unit high-rise apartment building located in Chevy Chase, Maryland. The unit mix for the building is 120 market units, 40 Moderately Priced Dwelling Units (“MPDU”) restricted at 50% Area Median Income (“AMI”), and 40 Workforce Housing units (“WFHU”) restricted at 100% Area Median Income AMI. The property operates on a calendar year and is categorized as a discretely presented component unit.

ISSUES FOR CONSIDERATION:

Tax Credit Partnerships

The CY’23 budgets forecast the collection of \$135,531 in Asset Management/Investor Service Fees and Partnership Management Fees from the properties (**Attachment 2**). At year-end, the Asset Management/Investor Service Fees are paid to the limited partner. If sufficient funds remain, the Partnership Management Fees or \$157,212 are paid to the general partner (HOC). All unpaid fees are accrued for payment in future years.

Please note that there are six (6) properties, shaded in peach, that have been resyndicated as new LIHTC transactions and commenced renovations in CY’22 that will continue into CY’23. During renovations, vacancy is anticipated to be higher than normal to support renovations, reserve contributions are placed on hold, and debt service payments are incorporated into the development budgets; therefore, the projected income from operations during CY’23 is not contingent on past performance or indicative of future anticipated property performance. In addition, **Residences on the Lane**, shaded on green, began unit delivery in early CY’22. For these reasons, the properties will not be included in the charts in Attachments 3 through 8.

As the Managing General Partner, HOC is responsible for funding any cash deficits that occur in the operation of the tax credit properties. For CY'23 there are no deficits projected for the tax credit properties

The rent policy for CY'23 allows for in-place rental increases based on the County Executive's "modified" Voluntary Rent Guideline ("CE-VRG") of 1.4%. The CE-VRG was promulgated on February 4, 2022 at 0.4%; however, on May 9, 2022, the County announced a one-time exception and provided authorization for providers to use 1.4% in lieu of the aforementioned published 0.4% VRG for 2022. With the exception of **Arcola Towers, Bauer Park, Forest Oak Towers, Georgian Court, Shady Grove, and Waverly House**, rent increases for all properties within the portfolio are at the CE-VRG. Several properties include Project Based Rental Assistance ("PBRA") units and the rent increases are based on the latest Operating Cost Adjustment Factor ("OCAF") of 2.5% adjusted for the anticipated debt service for the property. As a result, rent increases for **Forest Oak Towers and Georgian Court** are projecting increases of 1.0%, and 1.9%, respectively, for the PBRA units and 1.4% for unsubsidized units. **Arcola Towers, Bauer Park, Shady Grove and Waverly House** are projecting 2.5% for PBRA units without adjustments for debt service.

Income from this portfolio is restricted to the properties. The only revenue that comes to HOC is in the form of a Partnership Management Fee, which is projected to be \$157,212 for CY'23. The proposed CY'23 budgets reflect an increase of \$940 or 0.6% in Partnership Management Fees when compared to the CY'22 Approved Budgets. This is as a result of the escalation factor applied annually to several of the properties coupled with the addition of the fees for **Georgian Court** and **Shady Grove** that were almost entirely offset by the removal of fees from **Spring Garden** due to projected cash flow.

The CY'23 Budget for the properties projects modest increases in operating income per unit per annum ("PUPA") for seven (7) of the properties when compared to the CY'22 Budget. In addition, the budgeted operating income at **Bauer Park** is projected to increase 11.1% largely driven by lower vacancy based on the property achieving stabilized occupancy in early CY'23. The decreases at **Lasko Manor, Spring Garden** and **MetroPointe** are largely due to slightly higher vacancy and **Spring Garden** is projected to receive less in laundry income. Income at **Fenton Silver Spring** is also budgeted to decrease due to a more accurate projection for gross rents based on actuals and a declining rate of return from the Solar Renewable Energy Certificate ("SREC") that were largely offset by lower vacancy loss. **(Attachment 3)**.

Operating expenses on a PUPA basis for the properties are projected to increase in the CY'23 Budget at nine (9) of the properties. The total operating expense increases range from 0.2% to 17%. The highest growth rates are at **Arcola Towers, Bauer Park, Greenhills, Lasko Manor** and **Spring Garden**, which expect expense growth rates of 14.4%, 11.8%, 11.3%, 10.5%, and 17%, respectively. Operating expenses at **Arcola Towers** increased as a result of higher administrative and maintenance staffing costs and an increase in projected bad debt expense. **Bauer Park** is projected to increase due to higher administrative and maintenance cost coupled with increased utility expense. The increase at **Greenhills** is primarily due to higher projected maintenance and

insurance expenses as well as increases in administrative and utility costs. The operating expense increase at **Lasko Manor** is largely driven by administrative and maintenance expenses. Operating expenses at **Spring Garden** increased primarily due to higher projected bad debt, administrative, utility, and maintenance costs. **(Attachment 4)**.

Operating expenses are projected to decrease 6.8% and 0.4% at **Alexander House** and **Fenton Silver Spring**, respectively. The majority of the decrease at **Alexander House** is a result of lower projected bad debt expense. **Fenton Silver Spring** is projecting a slight reduction in expenses driven by reduced maintenance expense slightly offset by increases in administrative and utility costs.

The net impact of the changes in operating income and expenses is reflected in the net operating income (“NOI”) on a PUPA basis for the LIHTC Portfolio **(Attachment 5)**. Changes in NOI from budgeted CY’22 to CY’23 varied across the portfolio. Eight (8) properties are projected to experience a decrease to NOI: 18.1% at **Arcola Towers**, 2.0% at **Forest Oak**, 4.2% at **Greenhills**, 56.0% at **Lasko Manor**, 16.4% at **Spring Garden**, 0.3% at **Tanglewood/Sligo Hills**, 1.2% at **Fenton Silver Spring** and 6.4% at **MetroPointe**. The remaining properties project NOI increases averaging 6.8%.

The minimum Debt Service Coverage Ratio (“DSCR”) requirement of 1.15:1.00 or higher is projected to be achieved for all of the properties except for **Spring Garden** which is projecting 1.01. This is a result of the previously stated higher projected bad debt, administrative, utility, and maintenance costs as well as slightly lower projected occupancy and laundry income. It is important to note that the stated DSCR for Alexander House and MetroPointe reflects only the LIHTC portion of the properties. **(Attachment 6)**.

Attachment 7 shows the history of PUPA Replacement for Reserves (“RfR”) contributions for the portfolio. The fluctuation in the base required contribution between CY’22 and CY’23 reflects changes due to Bauer Park beginning to make contributions following the renovations. Aside from this, the base required contribution amount has remained relatively flat except for growth due to the escalation factor applied annually to several of the properties. Over the years, a few properties in the portfolio have required increases in their annual contributions as well as the use of property cash or the Opportunity Housing Property Reserve (“OHPR”) to meet their capital needs. **Forest Oak Towers** and **MetroPointe** continue to require increased RfR contributions to meet their current and future years’ capital expenditure needs. Finally, the properties in transition may experience a small amount of capital expenditures during renovations that will be funded by property cash. As stated earlier, the properties will not make RfR contributions until permanent financing and stabilization is achieved. The CY’23 projections for RfR deposits on a PUPA basis by property, including the base and increased amounts, are depicted in **Attachment 8**.

Capital

Attachment 9 shows the capital budget for each property and proposed funding sources as well as the projected RfR balance as of December 31, 2023 based on the planned contributions and expenditures. Increased RfR contributions above the base requirement are intended to prevent

the depletion of the respective property's reserves and support future capital needs denoted in each property's Five Year Capital Plans.

Other Calendar Year Budgets

Income for **The Lindley** is projected to increase 30.6%, largely due to the projected draw from the Opportunity Housing Reserve Fund ("OHRF") to support the additional debt service payments resulting from the change in the investor. The property is also projecting a small decrease in concessions. Operating expenses are projected to grow 3.1%. Although NOI increased 42.7% from CY'22 resulting in a DSCR of 0.97:1.00, if we were to exclude the draw from the OHRF, the adjusted NOI would have fluctuated significantly less, decreasing by 0.4%. Finally, the debt service payments increased approximately 44.6% due to the aforementioned change in investor.

BUDGET IMPACT:

Approval by the Commission of these budgets will allow the Calendar Year Properties to begin operations on January 1, 2023, which is the beginning of their calendar year.

TIME FRAME:

For formal Commission action at the November 16, 2022 meeting.

The Budget, Finance and Audit Committee informally reviewed the CY'23 Portfolio Budgets at the October 21, 2022 meeting and supports staff's recommendation.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

The Budget, Finance and Audit Committee joins the staff recommendation for the full Commission to approve the CY'23 Portfolio Budgets.

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC”) is the general partner/ultimate managing member of the following entities: (1) Alexander House Apartments Limited Partnership (Alexander House); (2) Arcola Towers RAD Limited Partnership (Arcola Towers); (3) Bauer Park Apartments, LLC; (4) Forest Oak Towers Limited Partnership; (5) HOC at Georgian Court, LLC; (6) Greenhills Apartments Limited Partnership; (7) 4913 Hampden Lane Limited Partnership (Lasko Manor); (8) HOC at Willow Manor, LLC (Manor at Cloppers Mills, Manor at Colesville and Manor at Colesville); (9) HOC at Shady Grove, LLC; (10) Spring Garden One Associates Limited Partnership (Spring Garden); (11) HOC at Stewartown Homes, LLC; (12) Tanglewood and Sligo LP (Tanglewood/Sligo); (13) 900 Thayer Limited Partnership (Fenton Silver Spring); (14) HOC at The Upton II, LLC (Residences on the Lane); (15) Waverly House RAD Limited Partnership (Waverly House); (16) Wheaton Metro Limited Partnership (MetroPointe) (together, the “LP and LLC Entities”); and

WHEREAS, HOC is the managing member of CCL Multifamily LLC (“CCL”), the owner of The Lindley; and

WHEREAS, as the general partner/ultimate managing member of the LP and LLC Entities and managing member of CCL, HOC manages the businesses and is liable for the debts; and

WHEREAS, the limited partners/non-managing members in LP and LLC Entities have contributed money and share in profits, but take no part in running the businesses and incur no liability with respect to the LP and LLC Entities beyond their contributions; and

WHEREAS, since HOC has a financial obligation to cover the debts of the LP and LLC Entities and CCL, HOC has an interest in the successful performance of LP and LLC Entities and CCL and, as such, should review their performances and approve their budgets; and

WHEREAS, the Budget, Finance and Audit Committee informally reviewed the CY’23 Budgets of the LP and LLC Entities at the October 21, 2022 meeting; and

WHEREAS, the Budget, Finance and Audit Committee also informally reviewed the CY’23 Budget of CCL, which is also operated on a Calendar Year basis, at the October 21, 2022 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of each of the LP and LLC Entities, as each entities’ general partner/ultimate managing member, as appropriate, that it hereby approves the CY’23 Operating Budgets for the LP and LLC Entities, as shown on the attached Exhibit A.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of CCL Multifamily LLC, as its managing member, that it hereby approves the CY'23 Operating Budget for CCL, as shown on the attached Exhibit A.

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

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on November 16, 2022.

Patrice Birdsong
Special Assistant to the Commission

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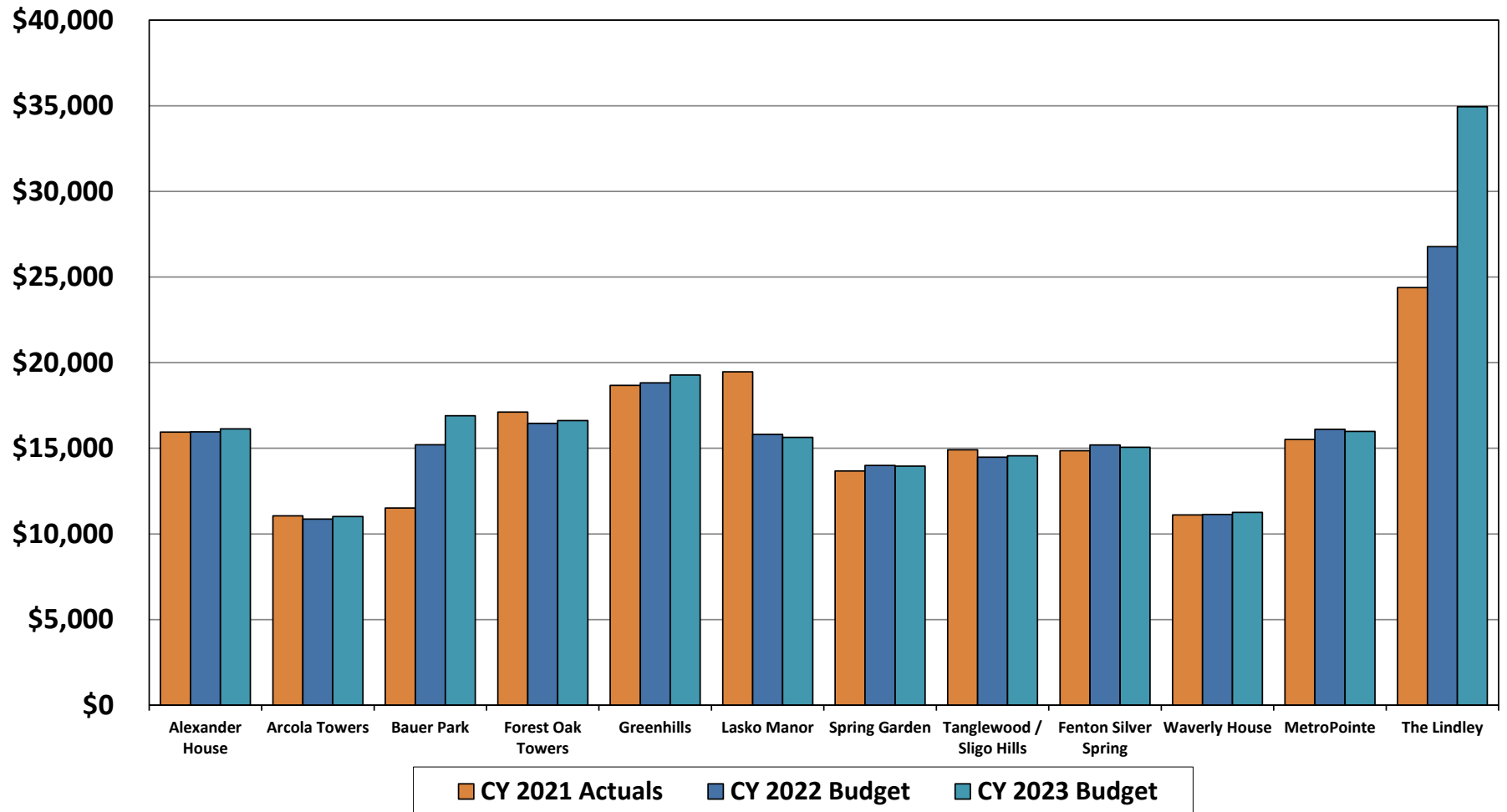
TAX CREDIT COMPLIANCE PERIOD as of October 21, 2022

PROPERTIES	# of Units	INITIAL END DATE: December	Status of Limited Partner Exit	Extended Use after Compliance Period
Spring Garden One Assoc. LP	82	2021	Tentative Resyndication set for 2024	25 Years (2046)
Forest Oak Towers LP	175	2022	Tentative Resyndication set for 2024	25 Years (2047)
Wheaton Metro LP (MetroPointe)	53	2023	Tentative Resyndication set for 2023	25 Years (2048)
4913 Hampden Lane LP (Lasko Manor)	12	2026	Ongoing monitoring	25 Years (2051)
Tanglewood / Sligo Hills LP	132	2027	Ongoing monitoring	25 Years (2052)
Arcola Towers RAD LP	141	2031	Ongoing monitoring	15 Years (2046)
Waverly House RAD LP	157	2031	Ongoing monitoring	15 Years (2046)
Alexander House LP	122	2032	Ongoing monitoring	25 Years (2057)
Greenhills Apartments LP	77	2033	Compliance Period begins in 2018	25 Years (2058)
900 Thayer LP (Fenton Silver Spring)	124	2034	Compliance Period begins in 2019	25 Years (2059)
Bauer Park Apartments LLC	142	2036	Compliance Period begins in 2021	25 Years (2061)
HOC at Stewartown Homes LLC	94	2037	Compliance Period begins in 2022	25 Years (2062)
HOC at The Upton II LLC (Residences on the Lane)	150	2037	Compliance Period begins in 2022	25 Years (2062)
HOC at Georgian Court LLC	147	2037	Compliance Period begins in 2022	25 Years (2062)
HOC at Shady Grove Apartments LLC	144	2037	Compliance Period begins in 2022	25 Years (2062)
HOC at Willow Manor LLC (Manor at Cloppers Mill)	102	2039	Compliance Period begins in 2024	TBD
HOC at Willow Manor LLC (Manor at Colesville)	83	2039	Compliance Period begins in 2024	TBD
HOC at Willow Manor LLC (Manor at Fair Hill Farm)	101	2039	Compliance Period begins in 2023	TBD

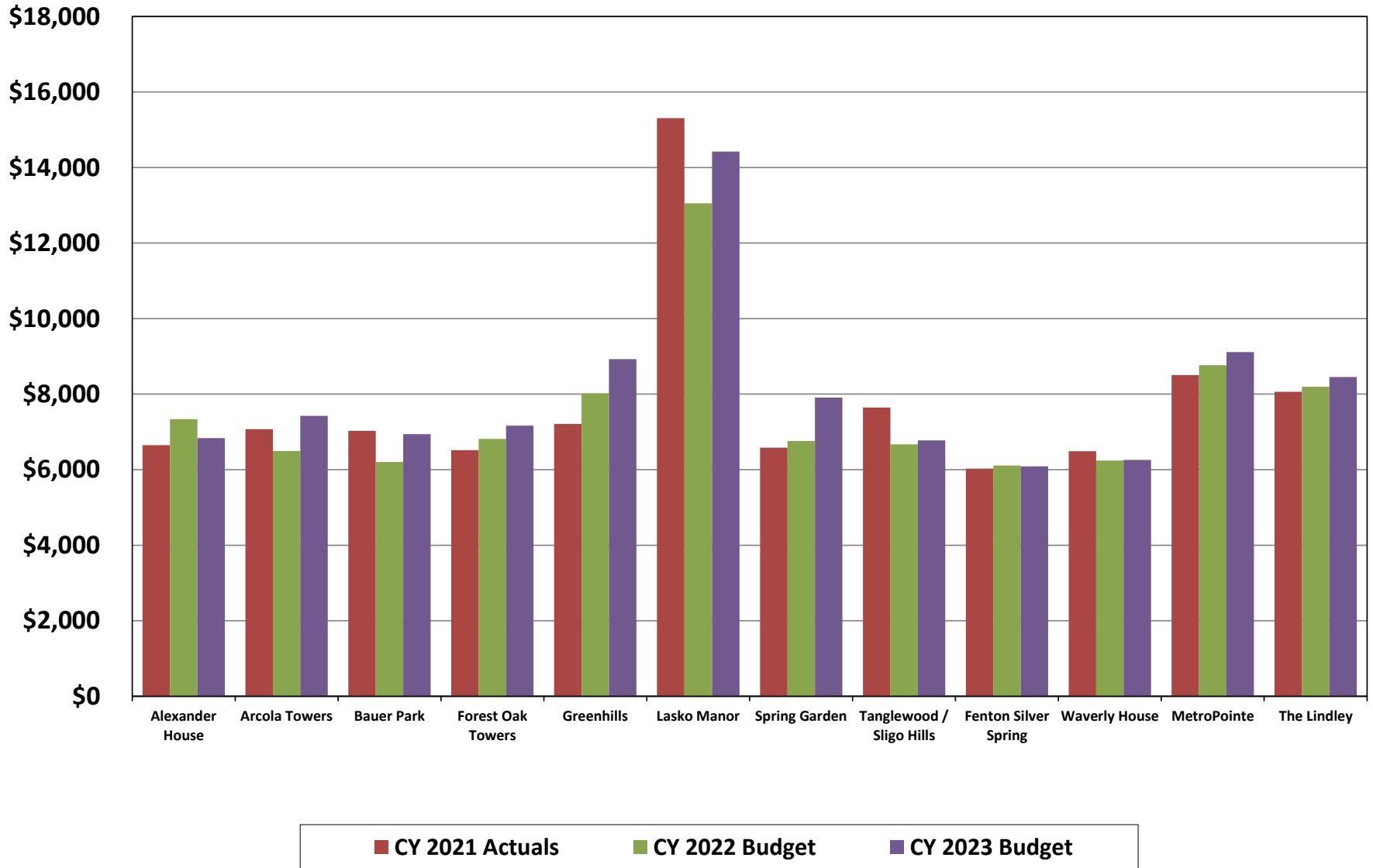
		CY 2023 BUDGET												
CY 2023 Tax Credit Operating Budget	# of Units	Rent Assumptions at Renewal	Total Operating Income	Total Operating Expenses	Net Operating Income	Annual Debt Service	Operating Reserve Contribution	Required RfR Deposits	Additional RfR Deposits	Partners Tax Expense	Cash Flow Before Distribution	Asset Management / Investor Service Fees	Partnership Management Fees	Net Cash Flow
Alexander House LP	122	1.4%	\$1,967,974	\$834,125	\$1,133,849	\$930,707	\$0	\$50,988	\$0	\$0	\$152,154	\$11,940	\$11,940	\$128,274
Arcola Towers RAD LP	141	2.5%	\$1,552,871	\$1,046,909	\$505,962	\$377,801	\$0	\$74,659	\$0	\$0	\$53,502	\$9,384	\$10,500	\$33,618
Bauer Park Apartments LLC	142	2.5%	\$2,399,596	\$985,330	\$1,414,266	\$1,062,818	\$0	\$71,000	\$0	\$0	\$280,448	\$5,460	\$0	\$274,988
Forest Oak Towers LP	175	1.0%	\$2,907,874	\$1,254,495	\$1,653,379	\$1,214,086	\$0	\$70,000	\$130,000	\$0	\$239,293	\$12,840	\$42,120	\$184,333
HOC at Georgian Court LLC	147	1.9%	\$1,618,425	\$883,551	\$734,874	\$0	\$0	\$0	\$0	\$0	\$734,874	\$10,308	\$10,308	\$714,258
Greenhills Apartments LP	77	1.4%	\$1,484,000	\$687,384	\$796,616	\$674,682	\$0	\$30,045	\$0	\$0	\$91,889	\$6,900	\$13,800	\$71,189
4913 Hampden Lane LP (Lasko Manor)	12	1.4%	\$187,652	\$173,079	\$14,573	\$0	\$0	\$4,680	\$0	\$0	\$9,893	\$0	\$5,000	\$4,893
HOC at Willow Manor LLC (Manor at Cloppers Mill)	102	1.4%	\$1,282,307	\$657,781	\$624,526	\$0	\$0	\$0	\$0	\$0	\$624,526	\$0	\$0	\$624,526
HOC at Willow Manor LLC (Manor at Colesville)	83	1.4%	\$1,060,559	\$590,400	\$470,159	\$0	\$0	\$0	\$0	\$0	\$470,159	\$0	\$0	\$470,159
HOC at Willow Manor LLC (Manor at Fair Hill Farm)	101	1.4%	\$1,601,022	\$628,271	\$972,751	\$0	\$0	\$0	\$0	\$0	\$972,751	\$0	\$0	\$972,751
HOC at Shady Grove Apartments LLC	144	2.5%	\$2,570,075	\$1,085,563	\$1,484,512	\$0	\$0	\$0	\$0	\$0	\$1,484,512	\$10,308	\$10,308	\$1,463,896
Spring Garden One Assoc. LP	82	1.4%	\$1,144,383	\$648,572	\$495,811	\$440,536	\$0	\$49,692	\$0	\$0	\$5,583	\$5,583	\$0	\$0
HOC at Stewartown Homes LLC	94	1.4%	\$1,574,518	\$842,834	\$731,684	\$361,614	\$0	\$16,452	\$0	\$0	\$353,618	\$9,684	\$0	\$343,934
Tanglewood / Sligo Hills LP	132	1.4%	\$1,922,685	\$894,623	\$1,028,062	\$644,723	\$0	\$48,060	\$0	\$0	\$335,279	\$6,384	\$25,000	\$303,895
900 Thayer LP (Fenton Silver Spring)	124	1.4%	\$1,866,564	\$754,728	\$1,111,836	\$606,472	\$0	\$46,044	\$0	\$0	\$459,320	\$17,520	\$0	\$441,800
HOC at The Upton II LLC (Residences on the Lane)	150	1.4%	\$3,310,152	\$1,055,343	\$2,254,809	\$1,377,016	\$0	\$46,356	\$0	\$0	\$831,437	\$8,760	\$8,760	\$813,917
Waverly House RAD LP	157	2.5%	\$1,767,499	\$982,764	\$784,735	\$520,397	\$0	\$83,130	\$0	\$0	\$181,208	\$12,672	\$0	\$168,536
Wheaton Metro LP (MetroPointe)	53	1.4%	\$847,593	\$483,013	\$364,580	\$221,643	\$0	\$29,988	\$0	\$0	\$112,949	\$7,788	\$19,476	\$85,685
TOTAL Tax Credit Properties	2,038	1.7%	\$31,065,749	\$14,488,765	\$16,576,985	\$8,432,495	\$0	\$621,094	\$130,000	\$0	\$7,393,396	\$135,531	\$157,212	\$7,100,653

CY 2022 Other Calendar Year Properties Operating Budget	# of Units	Rent Assumptions at Renewal	Total Operating Income	Total Operating Expenses	Net Operating Income	Annual Debt Service	Operating Reserve Contribution	Required RfR Deposits	Additional RfR Deposits	Partners Tax Expense	Cash Flow Before Distribution	Asset Management / Investor Service Fees	Partnership Management Fees	Net Cash Flow
CCL Multifamily LLC (The Lindley)	200	1.4%	\$6,989,713	\$1,690,557	\$5,299,156	\$5,397,587	\$3,000	\$54,636	\$0	\$0	(\$156,067)	\$0	\$0	(\$156,067)
TOTAL Other Properties	200	1.4%	\$6,989,713	\$1,690,557	\$5,299,156	\$5,397,587	\$3,000	\$54,636	\$0	\$0	(\$156,067)	\$0	\$0	(\$156,067)
GRAND TOTAL All Properties	2,238	1.6%	\$38,055,462	\$16,179,322	\$21,876,140	\$13,830,082	\$3,000	\$675,730	\$130,000	\$0	\$7,237,328	\$135,531	\$157,212	\$6,944,585

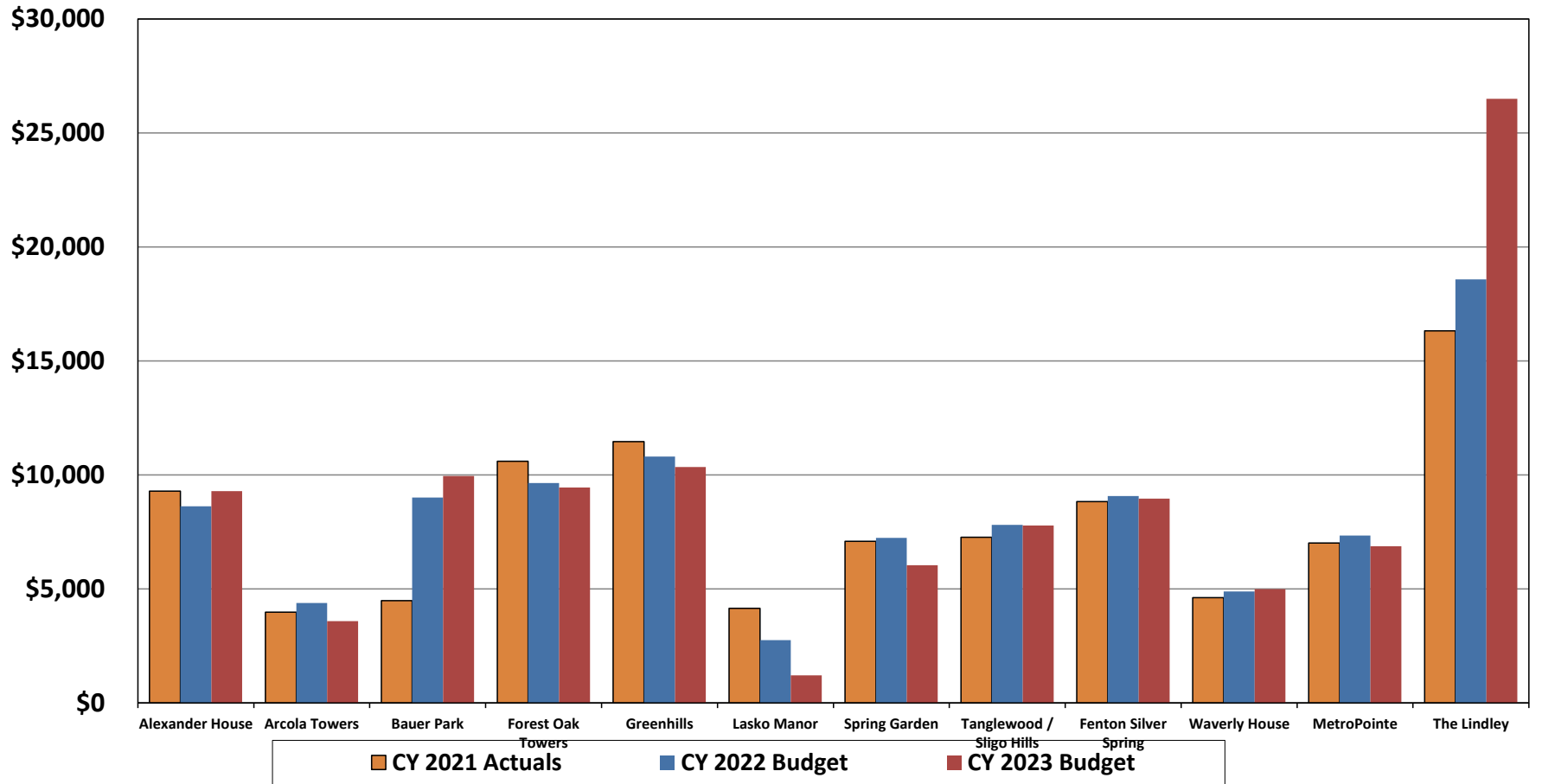
Operating Income (PUPA)



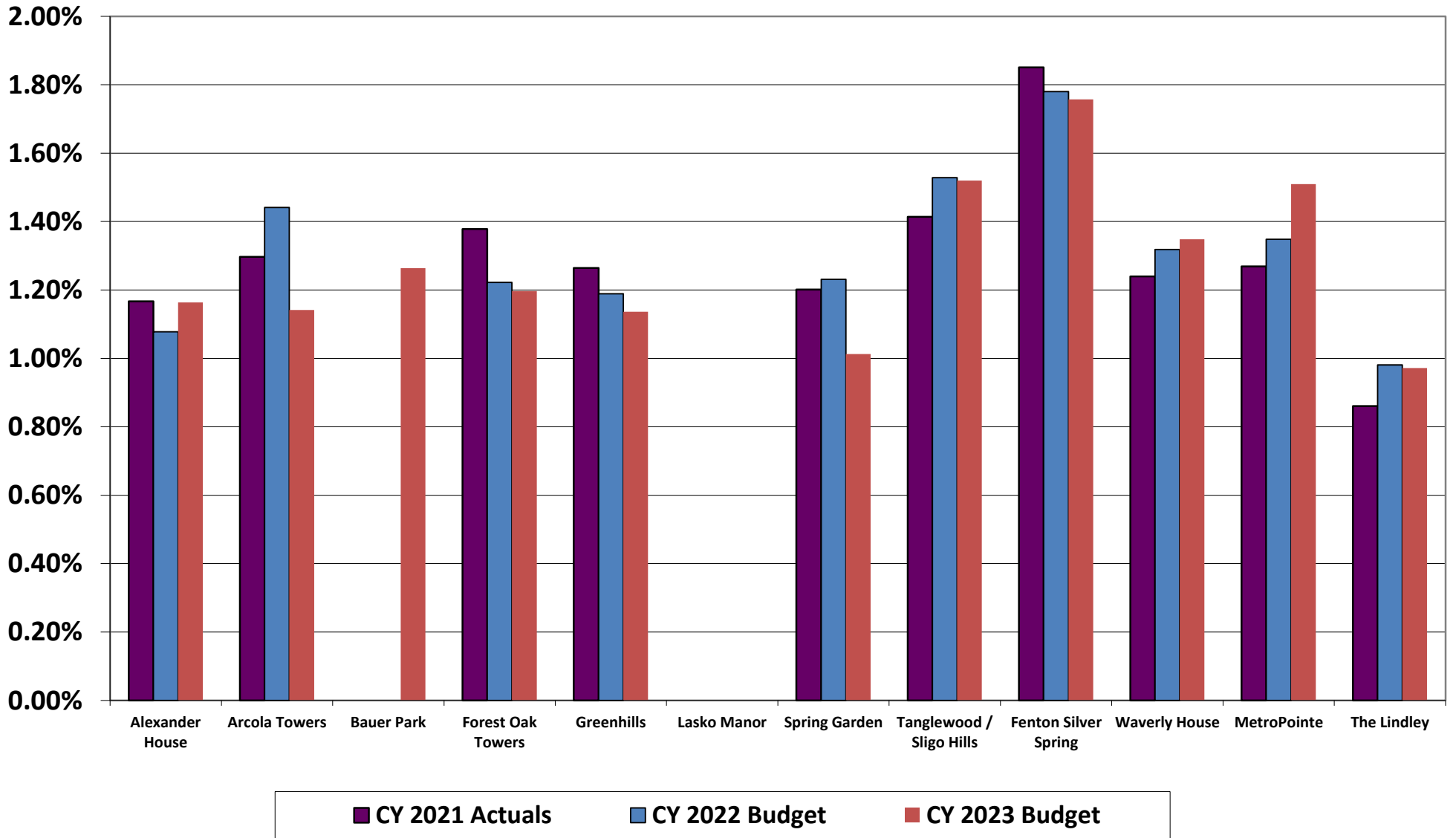
Operating Expenses (PUPA)



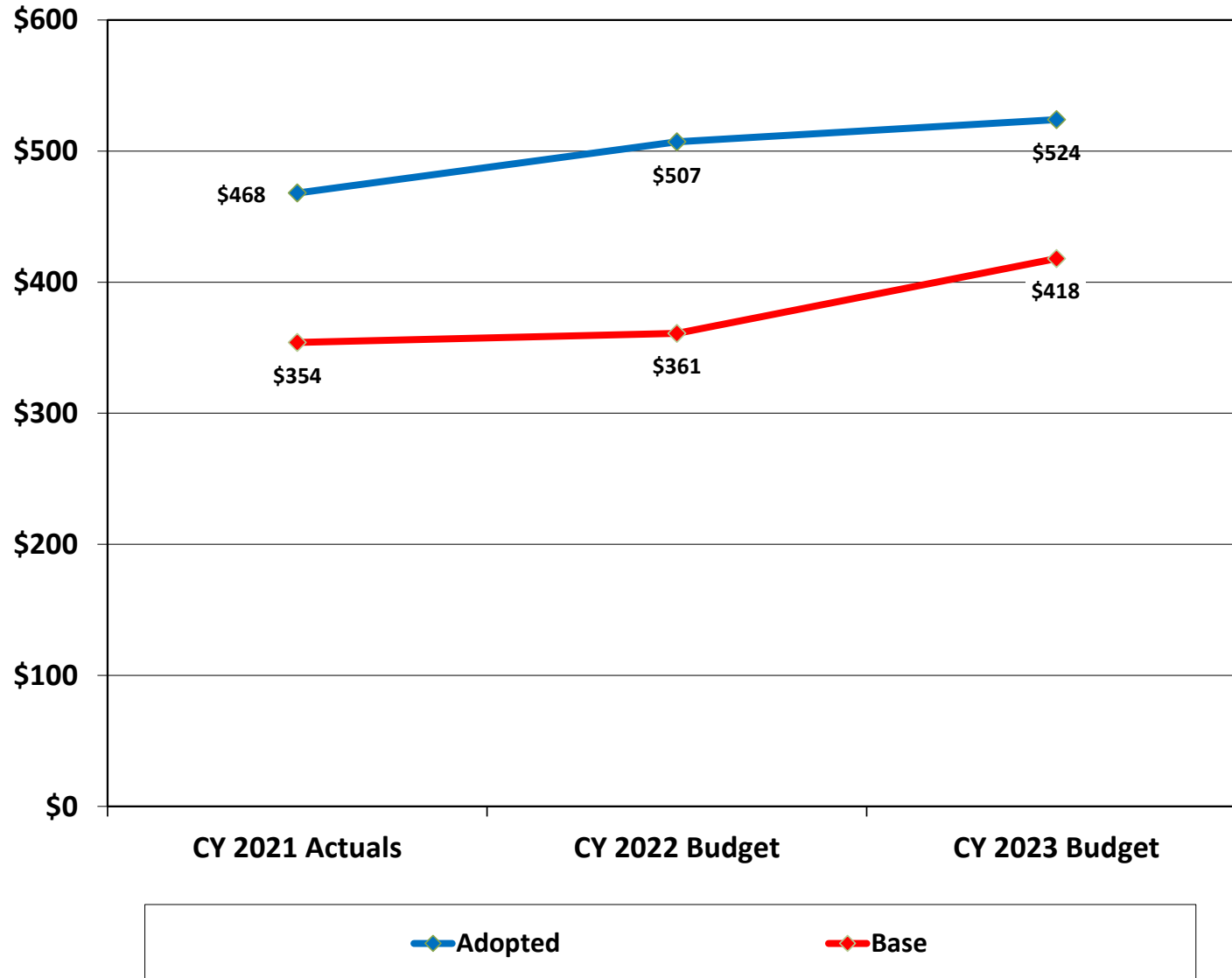
Net Operating Income (PUPA)



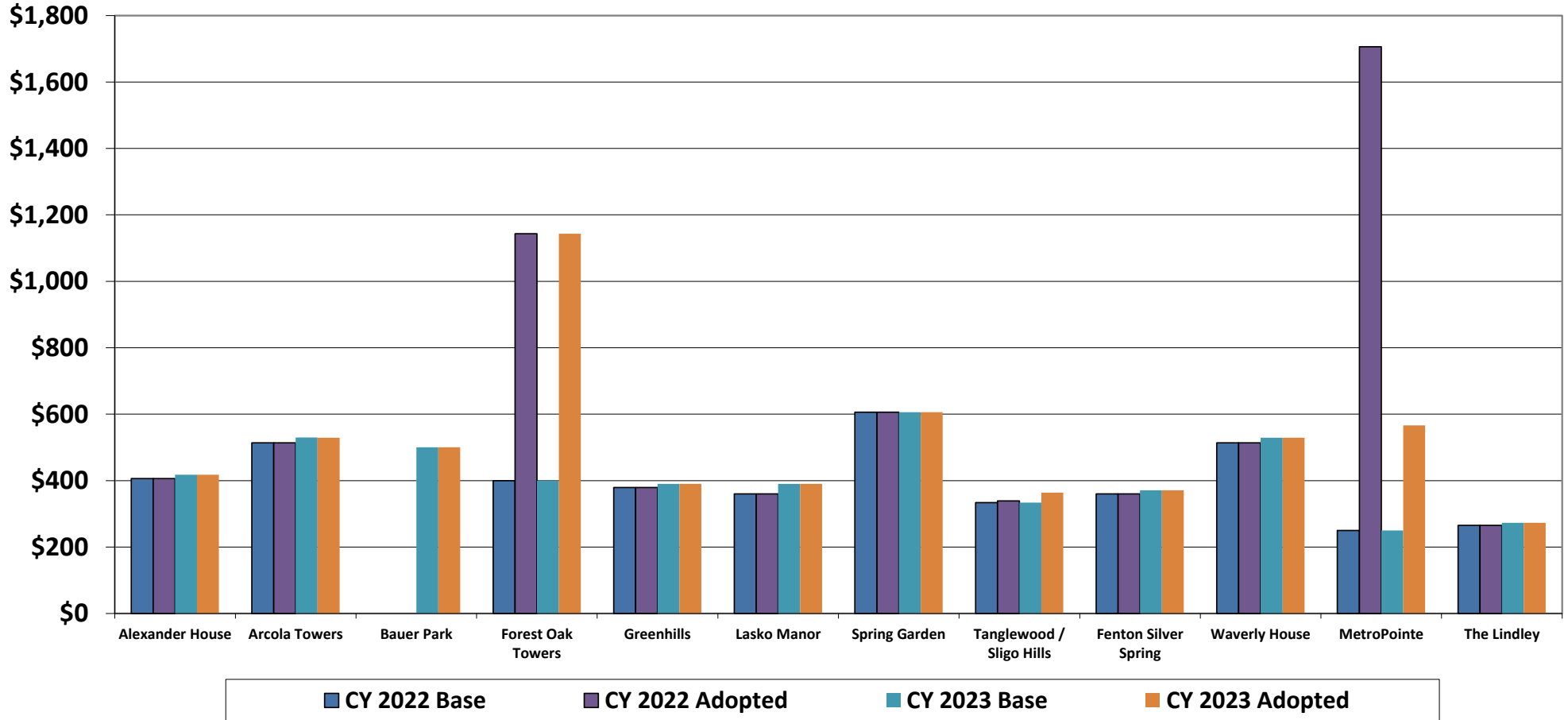
Debt Service Coverage Ratios (DSC)



RfR Contributions (PUPA)



CY 2022 RfR Contributions (PUPA)



CY 2023 Tax Credit Capital Budget	Expenses	Revenue Sources			Projected RfR Balance as of 12/31/2023
		Property Reserves	Additional Revenue Source (Property Cash, OH Property Reserve)	Current Year RfR Deposit	
Alexander House LP	\$24,700	\$24,700	\$0	\$0	\$492,089
Arcola Towers RAD LP	\$22,158	\$22,158	\$0	\$0	\$743,769
Bauer Park Apartments LLC	\$5,600	\$0	\$0	\$5,600	\$65,400
Forest Oak Towers LP	\$439,370	\$271,675	\$0	\$167,695	\$32,305
HOC at Georgian Court LLC	\$7,960	\$7,960	\$0	\$0	\$152,254
Greenhills Apartments LP	\$10,704	\$10,704	\$0	\$0	\$290,038
4913 Hampden Lane LP (Lasko Manor)	\$18,600	\$18,600	\$0	\$0	\$47,187
HOC at Willow Manor LLC (Manor at Cloppers Mill)	\$26,700	\$26,700	\$0	\$0	\$67,716
HOC at Willow Manor LLC (Manor at Colesville)	\$38,060	\$38,060	\$0	\$0	\$33,088
HOC at Willow Manor LLC (Manor at Fair Hill Farm)	\$18,100	\$18,100	\$0	\$0	\$87,520
HOC at Shady Grove Apartments LLC	\$27,778	\$27,778	\$0	\$0	\$181,423
Spring Garden One Assoc. LP	\$33,480	\$33,480	\$0	\$0	\$327,100
HOC at Stewartown Homes LLC	\$49,850	\$16,452	\$33,398	\$0	\$0
Tanglewood / Sligo Hills LP	\$42,084	\$42,084	\$0	\$0	\$195,162
900 Thayer LP (Fenton Silver Spring)	\$10,200	\$10,200	\$0	\$0	\$259,459
HOC at The Upton II LLC (Residences on the Lane)	\$6,000	\$6,000	\$0	\$0	\$85,356
Waverly House RAD LP	\$22,130	\$22,130	\$0	\$0	\$860,661
Wheaton Metro LP (MetroPointe)	\$74,052	\$68,884	\$0	\$5,168	\$24,820
Total Tax Credit Properties	\$877,526	\$665,665	\$33,398	\$178,463	\$3,945,347
CY 2023 Other Calendar Year Capital Budget	Expenses	Property Reserves	Residual Cash	Current Year RfR Deposit	Projected RfR Balance as of 12/31/2023
CCL Multifamily LLC (The Lindley)	\$151,923	\$111,682	\$0	\$40,241	\$14,395
Total Other Calendar Year Properties	\$151,923	\$111,682	\$0	\$40,241	\$14,395
GRAND TOTAL All Properties	\$1,029,449	\$777,347	\$33,398	\$218,704	\$3,959,742

**COUNTY FY 2024 (FY'24) MAXIMUM AGENCY REQUEST
CEILING ("MARC"): AUTHORIZATION TO SUBMIT THE COUNTY
FY'24 MARC**

November 16, 2022

- For the FY'24 Operating Budget season, the Montgomery County Office of Management and Budget ("OMB") developed a staggered submission schedule from October 28, 2022 through November 10, 2022. Staff has requested and received an extension to November 17, 2022 in order to obtain Commission approval on November 16, 2022.
- The Agency will be required to submit a Maximum Agency Request Ceiling ("MARC") for FY'24 in an amount not to exceed \$7,633,168. The MARC is based on the FY'23 approved MARC of \$7,633,168 and does not include the estimate for projected FY'24 increases to compensation, health and retirement benefits, and rental license fees.
- The Budget Finance and Audit Committee reviewed this request at its meeting on October 21, 2021 and joins staff's recommendation that the Commission authorize staff to submit the County FY'24 MARC.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Timothy Goetzinger, Acting Chief Financial Officer Division: Finance
Terri Fowler, Budget Officer

RE: **Fiscal Year 2024 (FY'24) County Operating Budget:** Presentation of the FY'24 County Operating Budget

DATE: November 16, 2022

OVERALL GOAL & OBJECTIVE:

Authorization to submit the County FY'24 Maximum Agency Request Ceiling ("MARC").

BACKGROUND:

For the FY'24 Operating Budget season, the Montgomery County Office of Management and Budget ("OMB") developed a staggered submission schedule from October 28, 2022 through November 10, 2022. Staff has requested and received an extension to November 17, 2022 in order to obtain Commission approval on November 16, 2022.

The FY'24 County Operating Budget Kick-off was held on September 28, 2022. The Agency will be required to submit a baseline budget or Maximum Agency Request Ceiling ("MARC") for FY'24 in an amount not to exceed \$7,633,168. The MARC is based on the FY'23 approved MARC of \$7,633,168 without any adjustments. The FY'23 approved MARC provided funding for the following Agency expenses:

Expense Type	FY'23 Approved MARC
Resident Services (mostly personnel costs)	\$6,326,095
Public / Affordable Housing Electricity	\$530,000
Rental License Fees	\$509,433
Home Ownership Association Fees	\$157,640
Customer Service Centers - Rent	\$100,000
Holy Cross Center @ Elizabeth House	\$10,000
Total	\$7,633,168

Staff has submitted requests for an adjustment of \$282,566 for estimated increases to Resident Services' compensation, health and retirement benefits, and \$5,264 for Rental License Fees related to the acquisition of Battery Lane. The requested adjustments will be discussed during

the budget process in order to obtain the County Executive's approval before the County's Recommended Budget is finalized.

ISSUES FOR CONSIDERATION:

Does the Commission accept staff's recommendation, which is supported by the Budget, Audit and Finance Committee and authorize the submission of the FY'24 County Budget MARC of \$7,633,168 to Montgomery County's OMB?

BUDGET IMPACT:

Funding of the FY'24 County Budget MARC is provided as an Operating Grant to HOC. The County Operating Grant is the primary funding source for the Agency's Resident Services Division.

TIME FRAME:

For formal Commission action at the November 16, 2022 meeting.

The Budget, Finance and Audit Committee informally discussed the submission of the County FY'24 MARC at the October 21, 2022 meeting and supports staff's recommendation.

Once approved by the Commission, the FY'24 County MARC will be submitted to the County by November 17, 2022.

STAFF RECOMMENDATION:

Staff recommends that the full Commission authorize the submission of the proposed FY'24 County Operating Budget of \$7,633,168 to Montgomery County's Office of Management and Budget. Once approved by the Commission, the FY'24 County MARC will be submitted to the County by November 17, 2022.

RESOLUTION NO. 22-75

**RE: Authorization to Submit the County
FY'24 Maximum Agency Request Ceiling
("MARC")**

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") wishes to submit a request for County funds for FY'24; and

WHEREAS, the County has instructed HOC to submit a Maximum Agency Request Ceiling ("MARC") for FY' 24 in an amount not to exceed \$7,633,168, which is based on the FY'23 approved MARC of \$7,633,168 and does not include the estimate for projected FY'24 increases to compensation, health and retirement benefits, and rental license fees.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves submitting a MARC to the County for FY'24 in the amount of \$7,633,168.

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

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on November 16, 2022.

Patrice Birdsong
Special Assistant to the Commission

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**PROCUREMENT OF PROPERTY MANAGEMENT SERVICES:
RENEWAL OF PROPERTY MANAGEMENT CONTRACTS FOR
BATTERY LANE, BRADLEY CROSSING, THE LINDLEY, AND THE
WILLOW MANOR PROPERTIES (WILLOW MANOR AT
CLOPPER’S MILL, WILLOW MANOR AT COLESVILLE AND
WILLOW MANOR AT FAIR HILL FARM)**

November 16, 2022

- The property management contracts for Battery Lane, Bradley Crossing, The Lindley, and The Willow Manor Properties expire November 30, 2022.
- The Budget Finance and Audit Committee reviewed this request at its meeting on October 21, 2022, and joins staff’s recommendation that the Commission accept the recommendation to extend the property management contracts with Aldon Management for renewal extensions through **November 30, 2023**, for Battery Lane and Bradley Crossing.
- Staff also recommends that the Commission approve extension of the contract with Bozzuto Management for renewal extension through **November 30, 2023**, for The Lindley.
- Staff further recommends that the Commission approve extension of the contracts with Habitat America for renewal extensions through **November 30, 2023**, for The Willow Manor Properties (Willow Manor at Clopper’s Mill, Willow Manor at Colesville And Willow Manor at Fair Hill Farm).

This submittal includes contracts for six (6) properties managed by three different property management companies. Those companies include Aldon Management (“Aldon”), Bozzuto Management (“Bozzuto”), and Habitat America (“Habitat”). These companies have provided property management services to HOC over several years. Their history with HOC is as follows:

Bozzuto Management – Bozzuto has developed, acquired, and built more than 45,000 homes and apartments. Currently, the firm manages more than 70,000 apartments and 2.2 million square feet of retail space. Bozzuto currently manages four HOC properties and is HOC’s development partner and will be the management company for The Laureate (HOC at Westside Shady Grove). The property has begun lease-up and marketing for the new HOC property that will be ready for occupancy in February 2023.

Aldon Management – Aldon constructs, manages, and invests in multi-family properties. Aldon is a newer partner of HOC’s through the recent acquisitions of Bradley Crossing and Battery Lane. Staff have had positive experience with Aldon Management for the two properties.

Habitat America – Habitat, founded in 1988, provides property management services in Maryland, Washington DC, Virginia and Delaware. They are a woman-owned company that specializes in age-restricted, market-rate and affordable housing. They currently manage four (4) properties for HOC and have been responsive to our customers’ needs. Habitat America was recently awarded the HOC property management contract for The Leggett (Elizabeth House III).

The chart below provides information regarding the six (6) properties that are included in this renewal submission:

Count	Property	Location	Total Units	Current Occupancy
1	Battery Lane	Chevy Chase	401	95%
2	Bradley Crossing	Chevy Chase	212	95%
3	The Lindley	Chevy Chase	200	90%
4	Willow Manor at Clopper’s Mill	Germantown	102	74%*
5	Willow Manor at Colesville	Silver Spring	83	80%*
6	Willow Manor at Fair Hill Farm	Olney	101	70%*

**Note: Willow Manor Properties are experiencing lower occupancy as they are currently undergoing or preparing for renovation and the vacancies are intentional to make way for the renovations.*

Property Summary:

Battery Lane – The HOC at Battery Lane properties were acquired from Aldon Properties in May 2022. Aldon is a family-owned real estate company that owns apartment buildings in Bethesda and Chevy Chase, most of which were built in the late 1950s and 1960s. The Battery Lane properties consist of three mid-rise apartment buildings that were built between 1958 – 1961 and contain a combined 212 units. Upon acquisition, Aldon Management was approved by the Commission to continue to manage the properties

under an initial six (6) month contract with two (2) six-month renewals. Staff is requesting a one-year renewal subsequent to which, a full procurement for property management services will be undertaken.

Bradley Crossing – The Bradley Crossing properties were acquired from Aldon Properties in June 2021. The Bradley Crossing portfolio contains seven (7) properties, totaling 401 units. Upon acquisition, Aldon Management was approved by the Commission to continue to manage the properties under a one (1) year contract with two (2) one-year renewals. Staff is requesting approval of the first one-year renewal.

The Lindley – The Lindley (CCL Multifamily LLC) is a 200-unit property that completed construction in 2018. The property is currently managed by Bozzuto Management under a two (2) year contract that began in October 2020 with two (2) one-year renewals. Staff is requesting approval of the first one-year renewal.

Willow Manor Properties – HOC acquired the three Willow Manor Properties in November 2018. Willow Manor at Clopper’s Mill consists of 102 apartments in Germantown and was constructed in 2005; Willow Manor at Colesville consists of 83 apartments in Silver Spring and was constructed in 2004; and Willow Manor at Fair Hill Farm consists of 101 apartments in Olney and was constructed in 2005. The age-restricted (62+) properties all reached the end of their initial Low Income Housing Tax Credit (“LIHTC”) period and underwent a LIHTC re-syndication and renovations began in January 2022. The current contract began on December 17, 2021 for a one-year term, with one (1) one-year renewal. Staff is requesting approval of a one-year renewal and a full procurement for property management services will be undertaken.

ISSUES FOR CONSIDERATION:

Does the Commission accept staff’s recommendation, which is supported by the Budget Finance and Audit Committee to authorize the Executive Director to execute an extension of the property management services contracts with Aldon for Battery Lane, Bradley Crossing, Bozzuto for The Lindley, and Habitat America for The Willow Manor Properties?

BUDGET IMPACT:

The extension of the property management contracts will not have an adverse budget impact for the 2023 operating budget. The costs associated with the services are included in the property budgets. Additionally, the contracts will be performance-based so fees will be lower in the event revenues decline below budgeted expectations or if a property receives less than an 80 on a REAC inspection.

TIME FRAME:

For formal action at the November 16, 2022 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission authorize the Executive Director to execute extension of the property management services contracts with the respective management companies heretofore discussed, for Battery Lane, Bradley Crossing, The Lindley, and The Willow Manor Properties for one year through November 30, 2023.

RESOLUTION NO. 22-76

RE: Renewal of Property Management Contracts for Battery Lane, Bradley Crossing, The Lindley, and The Willow Manor Properties (Willow Manor at Clopper's Mill, Willow Manor at Colesville and Willow Manor at Fair Hill Farm)

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") is the sole member of HOC at Battery Lane LLC, the owner of Battery Lane Apartments located in Bethesda, Maryland ("Battery Lane"); and

WHEREAS, HOC is the sole member of HOC MM Bradley Crossing, LLC, which is the sole member of Bradley Crossing, LLC, the owner of Bradley Crossing located in Chevy Chase, Maryland ("Bradley Crossing"); and

WHEREAS, HOC is the managing member of CCL Multifamily LLC, the owner of The Lindley located in Chevy Chase, Maryland ("The Lindley"); and

WHEREAS, HOC is the sole member of HOC MM Willow Manor, LLC, which is the managing member of HOC at Willow Manor, LLC, the owner of Willow Manor at Clopper's Mill located in Germantown, Maryland, Willow Manor at Colesville located in Silver Spring, Maryland, and Willow Manor at Fair Hill Farm located in Olney, Maryland (together, "The Willow Manor Properties"); and

WHEREAS, staff desires to renew the current property management contracts at Battery Lane and Bradley Crossing until November 30, 2023 with Aldon Management Corporation; and

WHEREAS, staff desires to renew the current property management contract at The Lindley until November 30, 2023 with Bozzuto Management Corporation; and

WHEREAS, staff desires to renew the current property management contracts at The Willow Manor Properties until November 30, 2023 with Habitat America.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOC at Battery Lane, LLC, as its sole member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute a renewal of the property management contract at Battery Lane with Aldon Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of Bradley Crossing, LLC, as the sole member of its sole member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute a renewal of the property management contract at Bradley Crossing with Aldon Management Corporation.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of CCL Multifamily LLC, as its managing member, that the

Executive Director of HOC, or their designee, is hereby authorized and directed to execute a renewal of the property management contract at The Lindley with Bozzuto Management.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOC at Willow Manor, LLC, as the sole member of its managing member, that the Executive Director of HOC, or their designee, is hereby authorized and directed to execute a renewal of the property management contract at The Willow Manor Properties with Habitat America.

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

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on November 16, 2022.

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Patrice M. Birdsong
Special Assistant to the Commission

Development and Finance Committee

**RESIDENCES ON THE LANE: APPROVAL OF AMENDED FINANCING PLAN,
AMENDED BOND AUTHORIZING RESOLUTION, AND AUTHORIZATION TO DRAW
ON THE PNC BANK, N.A. LINE OF CREDIT TO PROVIDE INTERIM FINANCING FOR
THE RECYCLING OF TAX EXEMPT PROCEEDS**

198 EAST MONTGOMERY AVENUE, ROCKVILLE



CHELSEA J. ANDREWS, EXECUTIVE DIRECTOR

JENNIFER HINES WASHINGTON, ACTING DIRECTOR OF MORTGAGE FINANCE

VICTORIA DIXON, SENIOR MULTIFAMILY UNDERWRITER

LEN VILICIC, FINANCIAL ANALYST

November 16, 2022

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EXECUTIVE SUMMARY

Residences on the Lane (the “Property” and f/k/a “Upton II”) is a 150-unit, age-restricted (62+), apartment community constructed in Rockville Town Center, Rockville, Maryland, as part of a larger residential development. Construction of the Property was part of a master development sponsored by Duball (“Master Developer”), including residential, retail, and public parking. HOC and Victory Housing, Inc. (“VHI”), through a single purpose entity called HOC at the Upton II, LLC (the “Owner” or “Borrower”), own and operate the Property.

The Property is an important element in HOC’s portfolio, with 90% (135) of units restricted for senior households with income between 40% and 80% of Area Median Income (“AMI”), and as relocation housing for 112 households previously residing in the nearby Rockville Town Center Apartments.

Previously Approved Finance Plan - On January 9, 2019, the Commission approved the Property’s Finance Plan with subsequent amendments on February 6, 2019 and February 22, 2019. The Finance Plan of approximately \$51.5 million includes, (1) a privately placed, tax-exempt, \$24 million construction loan, funded by M&T Bank (“Construction Loan”), to be refinanced with a FHA Risk Share permanent mortgage loan of up to \$27.5 million (“Permanent Loan”); (2) a \$12 million bridge loan to be funded by way of draws on the Commission’s PNC Bank, N.A. Real Estate Line of Credit (“RELOC”); (3) Low Income Housing Tax Credit (“LIHTC”) Equity of approximately \$11.8 million; (4) an acquisition loan for up to \$7.8 million from HOC’s Opportunity Housing Reserve Fund (“OHRF”); (5) a subordinate \$5 million County Loan; (6) deferred developer fees totaling approximately \$2.4 million; and, (7) interim operating income of approximately \$725,000. The Commission also approved issuing up to \$24 million in tax-exempt bonds, allocating up to \$24 million of HOC’s volume cap for the transaction, and hedging interest rate risk with a Counterparty by executing two (2) swap agreements; one during construction phase and one at permanent phase, as it was anticipated to issue Variable Rate Demand Obligation (“VRDO”) bonds to fund the permanent mortgage. Closing of the construction financing and LIHTC equity occurred in March 2019 and November 2019, respectively.

Additional Amendments to Finance Plan - The Property is nearing completion of the construction and stabilization phases, staff has reconciled development costs during the construction phase (see page 9), and has concluded the underwriting for the Permanent Loan projected to close in February 2023. The permanent swap was executed at a lower rate and the Property’s Net Operating Income is projected higher than originally estimated; therefore, the Property will now support a 40-year tax-exempt Permanent Loan of \$27 million at an estimated interest rate of 4.01%.

Given the private activity nature of the transaction, additional volume cap will be required. However, considering volume cap is a limited resource, the Maryland Community Development Administration (“CDA”) has agreed to permit recycling of its multifamily private activity tax-exempt proceeds of up to \$5 million from the repayment of a portion of CDA’s bonds maturing on December 1, 2022. Recall that the Commission has previously recycled CDA’s multifamily tax-exempt proceeds with The Laureate transaction in 2020. Staff recommends utilizing HOC’s Line of Credit with PNC Bank, N.A. (“PNC LOC”), to provide interim financing to complete the recycling of tax-exempt proceeds from CDA for the transaction. Such draws on the PNC LOC will be repaid from proceeds of the newly issued bonds at closing in February 2023.



EXECUTIVE SUMMARY

Further, with this bond issuance, the Commission’s Financial Advisor recommends funding the bond reserve under the 1996 Indenture. Therefore, to fund the new Permanent Loan amount and bond reserves, staff recommends increasing the amount of the Bond Authorizing Resolution from up to \$24 million to \$29 million. The below chart represents elements of the Finance Plan approved by the Commission in 2019 and the current amendment request.

FINANCE PLAN	PREVIOUSLY APPROVED 1/9/19	PREVIOUSLY APPROVED 2/6/19	PREVIOUSLY APPROVED 2/22/19	PROPOSED AMENDMENT 11/2/22
Total Sources & Uses ¹	\$49,500,000	-	\$51,500,000	\$51,600,000
Total Tax-Exempt Bond Issuance (up to)	\$24,000,000	-	-	\$29,000,000
Total Volume Cap Allocated (up to)	\$24,000,000	-	-	-
Additional Recycled Volume Cap (up to)	-	-	-	\$5,000,000
Total Tax-Exempt Construction Loan (via M&T Bank)	\$24,000,000	-	-	-
Total FHA Risk Share Permanent Mortgage Loan Commitment (up to)	\$24,000,000	-	\$27,500,000	-
Est. FHA Risk Share Permanent Mortgage Interest Rate ²	5.5%	-	-	4.0%
HOC Bridge Loan (via PNC RELOC)(up to)	\$12,000,000	-	-	-
HOC Acquisition Loan (via OHRF)(up to)	\$6,000,000	-	\$7,800,000	-
# of Interest Rate Hedge or Swap Agreements ³	1	2	-	-

¹Detailed Sources & Uses are found on page 9.

²Interest rate includes MIP, Loan Management Fee, and a rate cushion.

³In January 2019, the Commission approved entering into one (1) Swap Agreement to cover variable interest rate during both the construction and permanent loan periods; in February 2019, the Commission approved entering into two (2) Swap Agreements, one for the construction loan and one for the permanent loan, which will begin at permanent loan conversion, and notably lowers the anticipated permanent loan interest rate.

EXECUTIVE SUMMARY

Staff has completed its underwriting and with support of the Development and Finance Committee, recommends that the Commission to approve the following:

- 1) Amended Financing Plan for Residences on the Lane, totaling approximately \$51.6 million, that includes the following sources: a) permanent loan insured by the FHA Risk Share program, which will repay the existing Construction Loan and reimburse other costs incurred to date; b) bridge funding by way of draws on the Commission's PNC Bank, N.A. Real Estate Line of Credit; c) interim funding by way of draws on the Commission's PNC Bank, N.A. Line of Credit; d) LIHTC equity; e) a subordinate County Loan; f) a loan from HOC; and g) deferred developer fees.
- 2) A Bond Authorizing Resolution for the issuance and delivery of tax-exempt bonds in a aggregate principal amount not to exceed \$29,000,000 to fund (a) the Permanent Loan for the transaction of up to \$27,000,000, (b) bond reserves under the 1996 Indenture, and (c) repay the PNC LOC.
- 3) For HOC to loan up to \$5,000,000 to the Borrower by way of short-term, taxable draws on the PNC LOC, which shall be used to provide interim financing to complete recycling of private activity tax exempt proceeds from CDA and will be repaid from proceeds of the new bond issuance in February 2023.

TRANSACTION HIGHLIGHTS

Public Purpose	The Property provided 112 (75%) of replacement affordable units and an additional 23 new affordable units for households between 40 – 80% of AMI. The remaining 15 units will be unrestricted.	
County Interest	Construction of this property replaced and added safe, quality, affordable housing for seniors in the County who have fixed and limited income. The transaction benefits from a \$5 million of subordinate loan from the County and exemption from all city, county, and state taxes for the entire property.	
Volume Cap/Recycling	Up to \$29 million – An initial \$24 million was allocated from the Agency’s annual allocation upon closing of the Construction Loan. To save the Agency’s remaining 2022 volume cap, CDA has agreed to permit recycling of multifamily private activity tax exempt proceeds of up to \$5,000,000 from repayment of CDA’s bonds maturing December 1, 2022. See page 10 for additional details.	
Bond Issuance	Up to \$29 million – The issued bonds will be long term, private activity refunding bonds in the form of Variable Rate Demand Obligation (“VRDO”) bonds. To protect against rising interest rates, a forward-starting permanent swap was obtained in the amount of \$27,000,000. Bond proceeds and the recycled repayments from CDA will fund the 40-year, FHA Risk Share mortgage and repay the PNC LOC and privately placed, tax-exempt M&T Bank construction loan. Remaining bond proceeds will fund a bond debt service reserve. The estimated interest rate for the mortgage is 4.01%, which in addition to MIP and LMF, includes the existing swap rate, and the estimated liquidity and remarketing fees.	
Credit Enhancement	The permanent mortgage loan will be credit enhanced with FHA Risk Share mortgage insurance. HOC will share 25% of the risk and FHA 75%.	
Bridge Loan	\$12.0 million – short-term, PNC RELOC taxable at 1 Month LIBOR plus 58 basis points. Draws will be repaid with LIHTC equity.	
LIHTC Equity	Approximately \$14.6 million – The tax credit equity will be paid in stages: 1) initial closing (10%); 2) 50% completion (8%); 3) construction completion (2%); 4) permanent conversion with stabilized debt service coverage (78%); and 5) the issuance of the final 8609s with cost certification (2%).	
Developer Fee	The developer’s fee will be \$4,855,826; however, \$2,427,913 is deferred until repaid from available cash flow unless accelerated from capital proceeds.	
Development Team	Owner/Developer:	HOC at the Upton II, LLC / HOC and Victory Housing Inc.
	Master Developer:	Duball, LLC
	General Contractor:	Paradigm Contractors, LLC
	Architect:	Torti Gallas Partners
	Property Management:	Edgewood Management Company
	LIHTC Syndicator/Investor:	Wells Fargo
	Trustee:	US Bank under the 1996 Multi-Family Development Bond Resolution.

PROPERTY OVERVIEW



Location 198 East Montgomery Avenue, Rockville
Owner HOC at the Upton II, LLC
Property Manager Edgewood Management Company

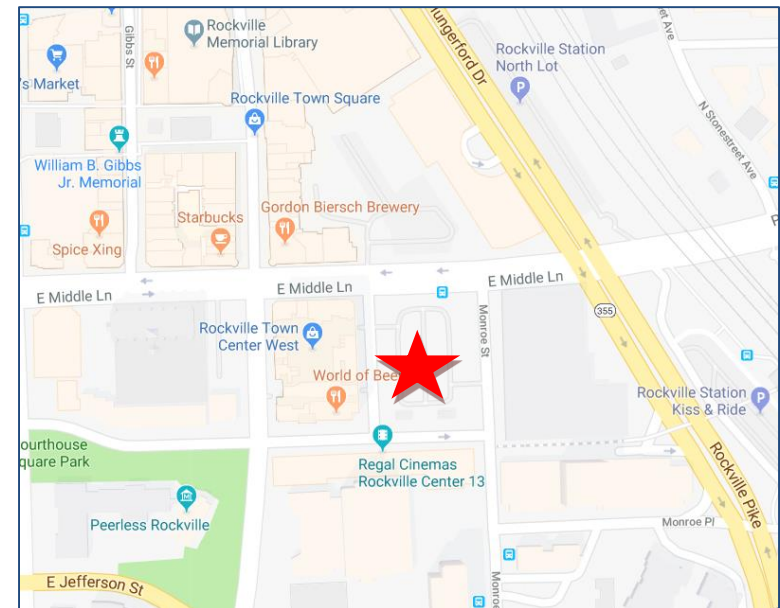
UNITS	AMI TARGET	AVE SIZE	UNITS	GROSS RENT	UTILITY ALLOW.	EFFECTIVE RENT	LIHTC LIMIT (NET)	Δ
1 BR*	40%	654	24	\$ 1,967	\$ 85	\$ 1,882	\$ 983	\$ 899
1 BR*	60%	654	84	\$ 1,831	\$ 85	\$ 1,746	\$ 1,517	\$ 229
2 BR*	60%	1051	4	\$ 2,346	\$ 112	\$ 2,234	\$ 1,809	\$ 425
1BR + DEN	80%	812	13	\$ 2,017	\$ 85	\$ 1,932	\$ 2,051	\$ (119)
2 BR	80%	1051	10	\$ 2,412	\$ 112	\$ 2,300	\$ 2,450	\$ (150)
1BR	MKT	654	15	\$ 1,818	\$ -	\$ 1,818	N/A	N/A

*Eighty-two (82) households have rent subsidies above LIHTC rent limits.

Public Purpose Residences on the Lane is a mixed-income, age restricted community with 135 units reserved for families and individuals earning between 40% and 80% of AMI and 15 unrestricted units. Eighty-two (82) households have tenant rent subsidies that are above LIHTC rent limits.

Amenities A multi-level parking garage, fitness and yoga space, wellness room for preventative care services, and clubrooms. Neighborhood amenities include Regal Cinemas, Rockville Memorial Library, and various restaurants, services, and retailers including Starbucks with additional connectivity via the Rockville WMATA Station (Red Line).

Type of Construction A steel enforced structure, with poured concrete decking, brick façade, and dedicated HVAC split system.



STABILIZED PRO FORMA

	2019 UNDERWRITING	CY 2023 BUDGET	VARIANCE	CY 2023 PER UNIT
Effective Gross Income ("EGI")	\$2,571,292	\$3,046,546	\$475,254	\$20,310
Operating Expenses	\$838,061	\$1,021,989	\$183,928	\$6,813
Replacement Reserves	\$45,000	\$45,000	\$0	\$300
Net Operating Income (NOI)	\$1,688,231	\$1,979,557	\$291,326	\$13,197
Debt Service	\$1,468,027	\$1,371,753	(\$96,274)	\$9,145
Cash Flow Before Distributions	\$220,204	\$607,804	\$387,600	\$4,052
Debt Service Coverage (DSC)	1.15	1.44	0.29	

- The Property reached 93% occupancy during October 2022, and is currently at 96%. Property revenue (EGI) is higher than originally projected as there are currently 82 residents with tenant based vouchers permitting collection of rents above LIHTC limits. As a development dedicated for seniors 62 years and older, turnover of the units is expected to be low.
- The increase to Operating Expenses is primarily due to anticipated Payroll Expenses and the actual Condominium Association Fee. The Property benefits from full real estate tax exemption from the State, County, and City of Rockville.
- Annual replacement reserves contributions will be \$300/unit (\$45,000 annually). At closing of the permanent loan, initial deposit to replacement reserves will be \$500/unit (\$75,000).
- To mitigate interest rate risk for the permanent loan, a \$27 million interest rate swap at a fixed rate of 2.39% was obtained, as approved by the Commission in 2019. With inclusion of additional costs, underwriting of the Property supports a permanent loan of \$27 million with a DSCR of 1.44:1.00. Sizing is based on an estimated interest rate of 4.01% all-in (including mortgage insurance premium ("MIP"), loan management fee ("LMF"), and an estimated 30 basis points ("bps") cushion). "
- Assuming a worst case scenario where all 82 of tenant based voucher households were to vacate and rents for those units return to LIHTC limits, Property NOI is projected to be \$1,620,749 and result in a DSCR of 1.18:1.00. Whereas, if half of the voucher households were lost, Property NOI is estimated at \$1,791,048 for DSCR of 1.31:1.00.

AMENDED FINANCING PLAN

The transaction contemplates: a) a tax-exempt FHA Risk Share permanent mortgage; b) bridge funding during by way of short-term, taxable draws on the PNC RELOC; c) LIHTC equity, which will mostly be contributed upon permanent conversion; d) a subordinate County Loan; e) a loan from HOC funded by way of the PNC RELOC; and, f) Deferred Developer's Fee.

The privately placed tax-exempt construction loan is to be repaid by tax-exempt refunding bond proceeds issued from the 1996 indenture, which will fund the Permanent Loan with mortgage insurance under the FHA Risk Sharing Program. Private activity bond cap of \$24 million was allocated by HOC at the outset for the Construction Loan and an additional \$5 million in tax exempt proceeds will be from the completion of bond recycling with CDA. Further discussion on the recycling is found on page 10.

To mitigate interest rate risk, in 2019 the Commission approved entering into a \$27 million swap, which is supported based on current underwriting of the permanent, 40-year, FHA Risk Share mortgage loan.

Subsequent to the original approval and closing of the construction loan, the transaction received a Difficult Development Area designation, resulting in a higher LIHTC equity contribution of \$14.6 million of which approximately \$2.6 million has been received to date.

The Bridge Loan and remaining portion of the developer fee will be paid with equity contributions of the tax credit investor.

The subordinate County Loan has an interest only period with required amortization of the loan subject to available cash flow.

SOURCES	FINANCE PLAN RECONCILED POST CONSTRUCTION	PROPOSED AMENDMENT 11/2/22	VARIANCE	NEW AMENDMENT/ UNIT
Tax-Exempt Bonds (a)	\$24,000,000	\$27,000,000	\$3,000,000	\$180,000
LIHTC Proceeds / Bridge (b)(c)	\$11,829,654	\$14,672,756	\$2,843,102	\$97,818
Subordinate County Loan (d)	\$5,000,000	\$5,000,000		\$33,333
HOC Loan (e)	\$7,300,000	\$2,505,983	(\$4,794,017)	\$16,707
GP Equity	\$100	\$100	-	\$1
Deferred Developer Fee(f)	\$2,427,913	\$2,427,913	-	\$16,186
Interim Property Income	\$725,475	-	(\$725,475)	-
Total Sources	\$51,283,142	\$51,606,752	\$323,610	\$344,045

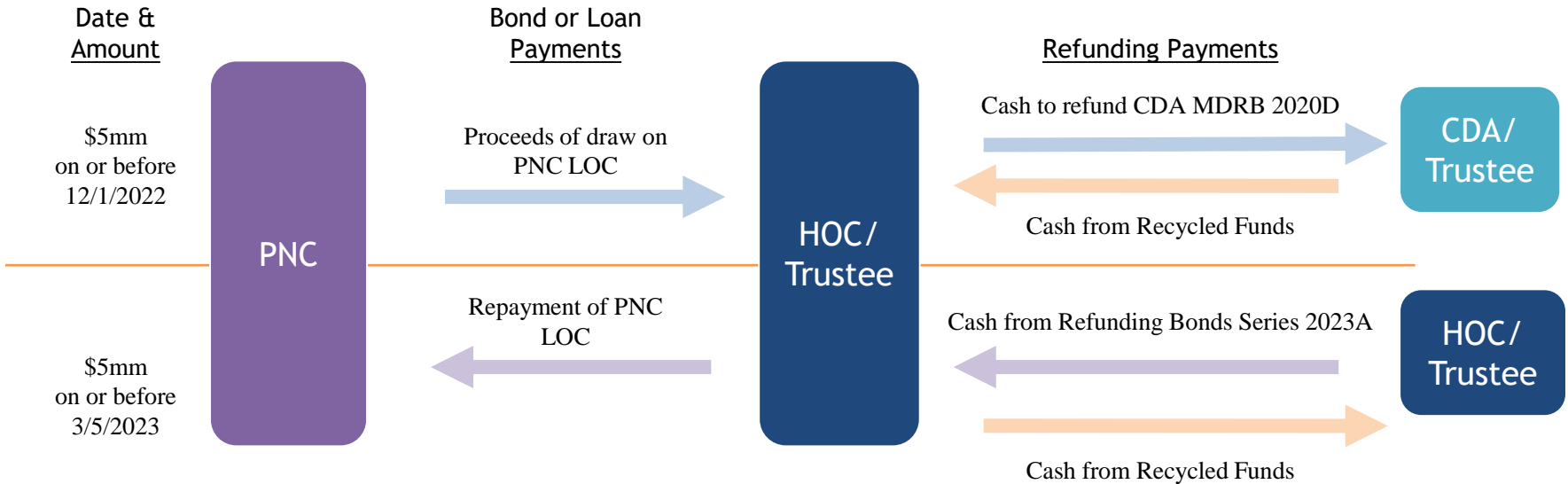
USES				
Acquisition Cost	\$6,244,941	\$6,170,975	(\$73,966)	\$41,140
Construction Cost	\$30,858,071	\$31,138,961	\$280,890	\$207,593
Fees Related to Construction	\$3,566,793	\$4,436,571	\$869,778	\$29,577
Relocation Costs	\$142,800	\$76,245	(\$66,555)	\$508
Financing & Legal Costs	\$2,380,869	\$2,282,119	(\$98,750)	\$15,214
Construction Interest	\$2,087,650	\$1,613,960	(\$473,690)	\$10760
Development Fees	\$4,957,705	\$4,855,826	(\$101,879)	\$32,372
Initial Replacement Reserves	\$75,000	\$75,000	-	\$500
Operating Reserves	\$969,313	\$957,095	(\$12,218)	\$6,381
Total Uses	\$51,283,142	\$51,606,752	\$323,610	\$344,045

RECYCLING TAX EXEMPT PROCEEDS

The Housing and Economic Recovery Act of 2008 (“HERA”) and provisions of the Code, which governs the issuance of Private Activity Bonds, allows the recycling of tax exempt proceeds into new multifamily transactions to preserve volume cap. In addition, HERA requires that the recycling refunding bonds be issued before maturity or redemption of the currently outstanding original bonds (refunded bonds) and that the recycling refunding bonds be issued (i) within six (6) months of repayment of the initial loan and that a new loan of the repayment be made within that six (6) month period to fund a new multifamily project, (ii) not later than four (4) years after the issuance of the refunded bonds, and (iii) with the latest maturity of the recycling refunding bonds not exceeding 34 years from the issue date of the refunded bonds. Refunded bonds have to be redeemed within 90 days of the issuance of refunding bonds.

In 2019, private activity volume cap from HOC was allocated to fund a \$24 million tax-exempt construction loan for the Property. The Property is now able to support a \$27 million Permanent Loan. In order to fund the Permanent Loan and bond reserves, HOC intends with Commission approval, to issue \$29 million of new tax-exempt Refunding Bonds. To take advantage of lower-rate tax-exempt financing and preserve \$5 million of HOC’s volume cap for 2022, HOC will use proceeds of the Refunding Bonds to recycle up to \$5 million of tax exempt proceeds from CDA, previously allocated and used for tax-exempt short-term bonds issued by CDA in 2020, which mature on December 1, 2022. HOC and CDA partnered on recycling CDA’s tax exempt proceeds for The Laureate transaction in 2020, which with recycling of proceeds from 900 Thayer, allowed HOC to issue \$99.25 million in tax-exempt bonds without requiring new volume cap.

To execute the recycling, staff recommends drawing on the PNC LOC for up to \$5 million in order to refund CDA’s maturing bonds. Repayments in the same amount that CDA receives from its borrower (“Recycled Funds”) will then be deposited with U.S. Bank, HOC’s Trustee for the 1996 Indenture. The Recycled Funds held with the Trustee will be deposited into a special designated account and used to fund a portion of the Permanent Loan. The foregoing will only occur after proceeds of the Refunding Bonds have repaid the PNC LOC, and therefore release Recycled Funds for use. Please see the below for the recycling flow of funds:

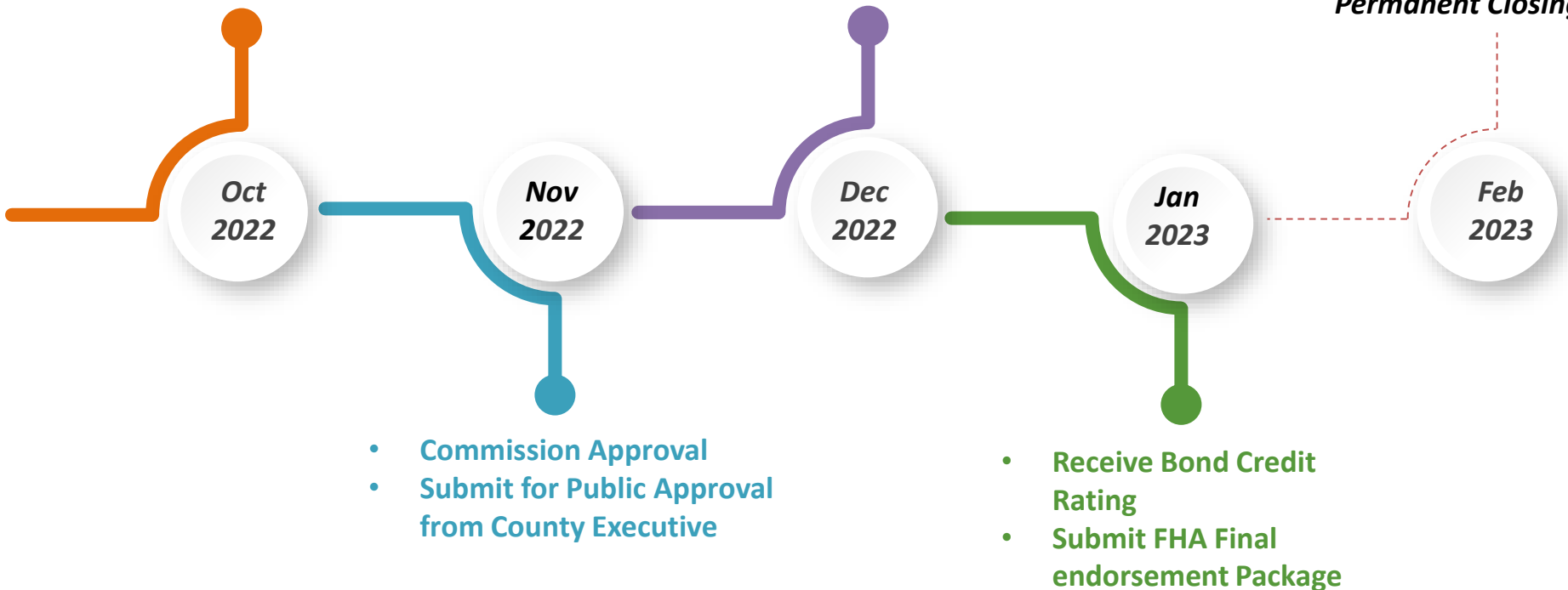


FINANCING SCHEDULE

- Solicit Liquidity/Remarketing Providers
- Reach Stabilized Occupancy

- Close on Recycle of CDA Bonds
- Receive Public Approval from County Executive

- *Receive FHA Final Endorsement*
- *Bond Issuance and Permanent Closing*



SUMMARY OF BOND AUTHORIZING RESOLUTION

The Bond Authorizing Resolution prepared by the Commission's Bond Counsel, Kutak Rock, LLP, outlines key elements of the transaction which the Commission must authorize to enable the financing to proceed. A summary of the main approvals is outlined below:

1. Issuance of tax-exempt refunding bonds, notes or other tax-exempt indebtedness (the "Tax-Exempt Indebtedness") permitted under the 1996 Multifamily Housing Development Bonds Trust Indenture in an amount not to exceed \$29,000,000 to fund bond reserves and a Permanent Loan to the Borrower.
2. Execution and delivery of a series indenture or other trust document securing the Tax-Exempt Indebtedness.
3. Execution of any documents related to the issuance and delivery of the Tax-Exempt Indebtedness, the security for the Tax-Exempt Indebtedness, and the construction of the project, including, without limitation, purchase documents, credit and/or liquidity documents, including swap documents, continuing disclosure agreements, regulatory agreements, real estate documents and related tax documents.
4. Approval for Chairman, Vice Chairman, Chairman Pro Tem, and Executive Director, or one or more of their designees, to proceed with the issuance and delivery of the Tax-Exempt Indebtedness.
5. Establishment of terms relating to the Tax-Exempt Indebtedness and the security therefor and authority for the Executive Director or her designee to make ongoing determinations relating thereto including dates, maturities, interest payment dates, denominations, terms of redemption, etc.
6. Authorization to proceed with the sale of the 2023 Series Bonds to TD Bank, N.A. and/or such other underwriters as may be designated by the Commission, or to any other entity as shall be in the best interest of the Commission. TD Bank is not currently an approved underwriter on the Commission's underwriting team; however, TD Bank is the provider of the Credit Facility (Reimbursement Agreement) as well as the Remarketing Agent for the VRDO bonds.
7. Selection of Trustee or Fiscal Agent (if any), Underwriter, Financial Advisor and Bond Counsel.

ISSUES FOR CONSIDERATION

Will the Commission accept staff's recommendation, which is supported by the Development & Finance Committee, and approve the following:

- 1) An Amended Financing Plan for Residences on the Lane totaling approximately \$51.6 million, which includes the following sources: a) permanent loan insured by the FHA Risk Share program, which will repay the existing Construction Loan and reimburse for costs incurred to date; b) bridge funding by way of draws on the Commission's PNC Bank, N.A. Real Estate Line of Credit; c) interim funding by way of draws on the Commission's PNC Bank, N.A. Line of Credit; d) LIHTC equity; e) a subordinate County Loan; f) a loan from HOC; and g) deferred developer fees;
- 2) A Bond Authorizing Resolution for the issuance and delivery of tax-exempt indebtedness in an aggregate principal amount not to exceed \$29,000,000 to fund, (a) the Permanent Loan for the transaction of up to \$27,000,000, (b) bond reserves under the 1996 Indenture, and repay the PNC LOC; and
- 3) For HOC to loan up to \$5,000,000 to the Borrower by way of short-term, taxable draws on the PNC LOC, which shall be used to provide interim financing to complete recycling of private activity tax exempt proceeds from CDA which shall be repaid from proceeds of the new bond issuance in February 2023?

TIME FRAME

For deliberation at the October 24, 2022 meeting of the Development and Finance Committee and formal action of the Commission at its monthly meeting on November 16, 2022.

BUDGET/FISCAL IMPACT

There is no adverse impact on the Commission's FY2023 Operating Budget.

When drawn, the \$5,000,000 short-term loan on the PNC LOC will temporarily reduce the Commission's general obligation borrowing capacity until it is repaid upon closing of the Permanent Loan, which is expected to occur in February 2023.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED

As these changes will enable the property's construction to convert to the permanent mortgage, in support HOC's mission to provide safe and affordable housing to the citizens of Montgomery County, staff recommends the Commission approve the following:

- 1) An Amended Financing Plan for Residences on the Lane totaling approximately \$51.6 million, which includes the following sources: a) permanent loan insured by the FHA Risk Share program, which will repay the existing Construction Loan and reimburse other costs incurred to date; b) bridge funding by way of draws on the Commission's PNC Bank, N.A. Real Estate Line of Credit; c) interim funding by way of draws on the Commission's PNC Bank, N.A. Line of Credit; d) LIHTC equity; e) a subordinate County Loan; f) a loan from HOC; and g) deferred developer fees.
- 2) A Bond Authorizing Resolution for the issuance and delivery of tax-exempt indebtedness in an aggregate principal amount not to exceed \$29,000,000 to fund, (a) the Permanent Loan for the transaction of up to \$27,000,000, (b) bond reserves under the 1996 Indenture, and repay the PNC LOC.
- 3) For HOC to loan up to \$5,000,000 to the Borrower by way of short-term, taxable draws on the PNC LOC, which shall be used to provide interim financing to complete recycling of private activity tax exempt proceeds from CDA, which shall be repaid from proceeds of the new bond issuance in February 2023.

RESOLUTION No.: 22-77A

RE: Approval to Amend the Financing Plan for the Residences on the Lane and Draw on the PNC Bank, N.A. Line of Credit to Provide Interim Financing for the Recycling of Tax-Exempt Proceeds

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 which provide a public purpose; and

WHEREAS, HOC at the Upton II, LLC (the "Borrower") owns and operates a condominium unit containing 150 apartments, known as the Residences on the Lane (formerly "Upton II") a mixed-income, age restricted community located in Rockville, Maryland (the "Property"); and

WHEREAS, HOC is currently the managing member of HOC MM Upton II, LLC (the "Managing Member"), which in turn is the managing member of the Borrower; and

WHEREAS, on January 9, 2019, the Commission approved Resolutions 19-09 and 19-09(3), which included the approval of the Financing Plan for the Property and a Bond Authorizing Resolution allocating \$24,000,000 of the Commission's volume cap to the transaction; and

WHEREAS, on February 6, 2019, to protect the transaction from potential interest rate increases the Commission approved Resolution 19-15, authorizing the execution of two interest rate hedges, one for the construction Loan and one for the permanent Loan; and

WHEREAS, on February 22, 2019, to address increased development costs above the previously approved development budget, the Commission approved Resolution 19-23, which included the approval of an Amended Financing Plan for the Property in an approximate amount of \$51.5 million; and

WHEREAS, the approved Financing Plan totaled \$51.5 million for the acquisition, construction and permanent financing for the Property, included the following sources: a \$24 million short-term, tax-exempt loan to fund construction by way of a Commission conduit loan from M&T Bank to be passed through to the Borrower ("Construction Loan"), which will be repaid by a FHA Risk Share Permanent Loan ("Permanent Loan") of up to \$27.5 million; bridge funding during acquisition/construction by way of draws on the Commission's PNC Bank, N.A. Real Estate Line of Credit; LIHTC equity; a subordinate loan from Montgomery County, Maryland; acquisition

financing in the form of a loan from the Commission (“HOC Loan”); and, deferred developer fees; and

WHEREAS, staff has completed underwriting and the Property has reached stabilized operations to support issuance of up to \$29,000,000 of bonds, to fund (i) a Permanent Loan of \$27,000,000 at a debt service coverage ratio of approximately 1.44:1.00 and (ii) up to \$2,000,000 of bond debt service reserves; and

WHEREAS, the Commission desires to provide additional, low-cost financing to the Borrower, to pay or be reimbursed for costs incurred, by (i) drawing \$5,000,000 from the Commission’s taxable line of credit from PNC Bank, National Association (the “PNC Draw”), (ii) using the proceeds of the PNC Draw to recycle loan repayments (the “Recycled Funds”) made by borrowers of loans financed with bonds issued by the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (“CDA”), and (iii) lending the Recycled Funds to the Borrower; and

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby amends the Financing Plan to total approximately \$51.6 million to address closing costs and reimbursement for additionally incurred costs.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby the approves a draw of up to \$5 million from and in accordance with the terms of the PNC Bank, N.A. Line of Credit, the use of such funds to recycle loan repayments made by borrowers of loans financed with bonds issued by CDA, and the lending of the Recycled Funds to the Borrower.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting in its own capacity and for and on behalf of the Managing Member and the Borrower, that the Executive Director, or her designee, is hereby authorized, without any further action on their respective parts, to execute such documents and to take any and all other actions, in each case as necessary and proper, in the Executive Director’s judgment, to carry out the Financing Plan and any and all of the transactions and actions contemplated herein.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on November 16, 2022.

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Patrice Birdsong
Special Assistant to the Commission

RESOLUTION No.: 22-77B

RE: Authorization to Draw on the PNC Bank, N.A. Line of Credit to Recycle Tax Exempt Proceeds

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) 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 (the “Act”), and authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes; and

WHEREAS, the Commission, in furtherance of the purposes of the Act, has established a program (the “Program”) to provide for the financing of mortgage loans through the issuance of its Multifamily Housing Development Bonds (“MHDB”); and

WHEREAS, on January 9, 2019, the Commission approved Resolutions 19-09 and 19-09(3), which included the approval of (a) the Financing Plan for The Upton II, a multifamily rental housing development now known as Residences on the Lane (the “Property”), owned and operated by HOC at the Upton II, LLC (the “Borrower”) and (b) a Bond Authorizing Resolution allocating \$24,000,000 of the Commission’s volume cap to the transaction for issuance of Multifamily Housing Development Bonds (“MHDB”); and

WHEREAS, the Commission, in furtherance of the Program and pursuant to Resolution 19-09(3), executed and delivered its \$24,000,000 Multifamily Mortgage Revenue Note, Series 2019 (the “Upton II Governmental Note”) to provide construction phase financing for the Property; and

WHEREAS, the Commission desires to provide additional, low-cost financing to the Borrower, to pay or be reimbursed for costs incurred, by (i) drawing \$5,000,000 from the Commission’s taxable line of credit from PNC Bank, National Association (the “PNC Draw”), (ii) using the proceeds of the PNC Draw to recycle loan repayments (the “Recycled Funds”) made by borrowers of loans financed with bonds issued by the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development (“CDA”), and (iii) lending the Recycled Funds to the Borrower; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Commission approves a draw of up to \$5 million from and in accordance with the terms of the PNC Bank, N.A. Line of Credit recycle loan repayments (the “Recycled Funds”) made by borrowers of loans financed with bonds issued by CDA.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director, or her designee, is hereby authorized, without any further action on their respective parts, to execute such documents and to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on November 16, 2022.

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Patrice Birdsong
Special Assistant to the Commission

RESOLUTION: 22-77C

Re: Adoption of a Bond Authorizing Resolution for the Issuance of Multifamily Housing Development Bonds in one or more series to Refund a Governmental Note and a Draw on the PNC Line of Credit, in each case to Provide Financing for Residences on the Lane (formerly known as The Upton II)

A RESOLUTION OF THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE TAX-EXEMPT AND/OR TAXABLE SERIES OF THE COMMISSION'S MULTIFAMILY HOUSING DEVELOPMENT BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$29,000,000 (COLLECTIVELY, THE "2023 SERIES BONDS") FOR THE PURPOSE OF REFUNDING AND REPAYING CERTAIN PRIOR TAX EXEMPT AND TAXABLE INDEBTEDNESS OF THE COMMISSION EXECUTED, DELIVERED AND/OR ISSUED TO PROVIDE PERMANENT FINANCING FOR RESIDENCES ON THE LANE (FORMERLY KNOWN AS THE UPTON II) FOR OCCUPANCY, IN PART, BY PERSONS OF ELIGIBLE INCOME AND PERMITTING THE COMMISSION TO REALIZE PRESENT VALUE SAVINGS IN ORDER TO CARRYOUT THE PURPOSES OF ITS PROGRAM; AUTHORIZING THE EXECUTION AND DELIVERY OF A SERIES INDENTURE, CERTAIN TAX-RELATED DOCUMENTS, A DISCLOSURE AGREEMENT AND ANY AND ALL RELATED DOCUMENTS; APPROVING THE PREPARATION, EXECUTION AND DISTRIBUTION OF PRELIMINARY AND FINAL OFFERING DOCUMENTS RELATING TO THE 2023 SERIES BONDS; AUTHORIZING THE EXECUTION OF ANY OTHER DOCUMENTS NECESSARY FOR THE ISSUANCE OF THE 2023 SERIES BONDS AND THE ACCOMPLISHMENT OF THE FINANCING PLAN DESCRIBED HEREIN; AUTHORIZING THE CHAIRMAN, VICE CHAIRMAN OR CHAIRMAN PRO TEM AND EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO PROCEED WITH THE SALE OF THE 2023 SERIES BONDS TO TD BANK, N.A. OR TO ANY OTHER UNDERWRITERS OR TO ANY OTHER INITIAL PURCHASERS AND TO EXECUTE AND DELIVER A CONTRACT OF PURCHASE IN CONNECTION WITH SUCH SALE; AUTHORIZING A CREDIT FACILITY FOR THE 2023 SERIES BONDS TO BE PROVIDED BY TD BANK, N.A.; AUTHORIZING THE EXECUTION AND DELIVERY OF A REIMBURSEMENT AGREEMENT AND OTHER DOCUMENTS RELATED TO THE CREDIT FACILITY; AUTHORIZING THE EXECUTIVE DIRECTOR OR OTHER AUTHORIZED REPRESENTATIVE TO ESTABLISH THE TERMS OF THE 2023 SERIES

BONDS AND THE CREDIT FACILITY; AND TO MAKE ONGOING DETERMINATIONS RELATING THERETO; APPOINTING THE FINANCIAL ADVISOR AND BOND COUNSEL FOR THE 2023 SERIES BONDS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission”) 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 (the “Act”), and authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes; and

WHEREAS, the Act declares that there exists within Montgomery County (the “County”) a critical shortage of decent, safe and sanitary dwelling accommodations available to rent, which “persons of eligible income” (within the meaning of the Act) can afford; and

WHEREAS, the Act empowers the Commission to make mortgage loans to qualified sponsors to provide for the construction, rehabilitation, equipping, and long-term financing of multifamily residential housing units in the County for occupancy by persons of eligible income and to perform any other duties that the Commission considers necessary in carrying out the purposes of the Act; and

WHEREAS, the Commission, in furtherance of the purposes of the Act, has established a program (the “Program”) to provide for the financing of mortgage loans through the issuance of its multifamily housing bonds; and

WHEREAS, pursuant to the Act and the Program, the Commission entered into the Trust Indenture, dated as of November 1, 1996 (the “Trust Indenture”), by and between the Commission and U.S. Bank National Association (successor-in-interest to SunTrust Bank), as trustee (the “Trustee”), providing for the issuance of bonds (the “Bonds”) from time to time in accordance with the provisions thereof and the provisions of separate series indentures (the “Series Indenture”) authorizing and setting forth the terms of each series of Bonds issued under the Trust Indenture; and

WHEREAS, the proceeds received from the issuance and sale of the Bonds under the Trust Indenture are used to make, purchase or finance mortgage loans (the “Mortgage Loans”) or finance mortgage loans through the purchase of Guaranteed Mortgage Securities (as defined in the Trust Indenture); and

WHEREAS, the pledges and assignments made pursuant to the Trust Indenture and the provisions, covenants and agreements therein set forth to be performed by or on behalf of the Commission are for the equal benefit, protection and security of the owners of any and all of the Bonds, each of which, regardless of the time of its issue or maturity, shall be of equal rank without preference, priority or distinction over any other Bond, except as expressly provided in the Trust Indenture or in any Series Indenture; and

WHEREAS, the Commission, in furtherance of the Program and pursuant to Resolution 19-09(3), executed and delivered its \$24,000,000 Multifamily Mortgage Revenue Note, Series 2019 (The Upton II) (the “Upton II Governmental Note”) to provide construction phase

financing for The Upton II, a multifamily rental housing development now known as Residences on the Lane (the “Development”), owned and operated by HOC at the Upton II, LLC (the “Borrower”); and

WHEREAS, the proceeds of the Upton II Governmental Note were applied to finance a \$24,000,000 construction loan to the Borrower (the “Construction Loan”) for the acquisition and construction of the Development; and

WHEREAS, pursuant to Resolution 19-09(3), adopted by the Commission on January 9, 2019, the Commission acknowledged that the development plan for the Development contemplated the refinancing of the Upton II Governmental Note following completion of construction of the Development with a permanent FHA Risk-Share insured loan or such other source of refinancing available to the Commission and economically advantageous (the “Permanent Mortgage Loan”) and that such refinancing would be presented to the Commission for approval at such time as the construction of the Development is complete and prior to the conversion of the Construction Loan to a Permanent Mortgage Loan; and

WHEREAS, the Commission has determined that the Permanent Mortgage Loan will be insured by the Federal Housing Administration (“FHA”) under Section 542(c) of the Housing and Community Development Act of 1992, as amended, and the regulations promulgated thereunder (the “Risk Sharing Act”); and

WHEREAS, construction of the Development is complete and the Borrower has incurred additional costs (the “Additional Costs”) in excess of the development costs approved by the Commission as of the date of Resolution 19-09(3); and

WHEREAS, the Commission has determined to provide additional, low-cost financing to the Borrower to pay or be reimbursed (as permitted under Treasury Regulation 1.150-2) for the Additional Costs by (i) obtaining \$5,000,000 of short-term financing (the “PNC Note”) available under the Commission’s taxable line of credit from PNC Bank, National Association (“PNC”), (ii) using the proceeds of the PNC Note to recycle loan repayments (the “Recycled Funds”) made by borrowers of loans financed with bonds issued by the Community Development Administration, a unit of the Division of Development Finance of the Maryland Department of Housing and Community Development and (iii) lending the Recycled Funds to the Borrower; and

WHEREAS, the Commission has determined to issue one or more tax-exempt and/or taxable series of its Multifamily Housing Development Bonds to be designated “2023 Series A” (or such other series designations as shall be approved by the Executive Director as provided herein, the “2023 Series Bonds”), pursuant to the Trust Indenture and one or more series indentures (each, a “Series Indenture,” and together with the Trust Indenture, the “Indenture”) for the purpose of providing financing for (i) the refunding and repayment of the Upton II Governmental Note, thereby providing financing for the Permanent Mortgage Loan, (ii) the repayment the PNC Note, (iii) a deposit to the Reserve Fund of the Trust Indenture and (iv) the payment of costs of issuance of the 2023 Series Bonds, if necessary (collectively, the “Financing Plan”); and

WHEREAS, the Commission expects to issue all or a portion of the 2023 Series Bonds as variable rate demand obligations to be supported by a letter of credit or other Credit Facility (as defined in the Trust Indenture) issued by TD Bank, N.A. (the “2023 A Credit Facility”); and

WHEREAS, in connection with the issuance of the 2023 Series Bonds and the accomplishment of the Financing Plan, the Commission anticipates entering into various documents, including, but not limited to, a Series Indenture, preliminary and final Offering Documents, a Disclosure Agreement, a Contract of Purchase, the Tax-Related Documents, a Reimbursement Agreement and certain other documents relating to the 2023 Series Bonds and the Financing Plan (each such capitalized term not heretofore defined shall have the meaning as hereinafter set forth).

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County:

1. **2023 Series Bonds.** The 2023 Series Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$29,000,000 to carry out the purposes of the Program as described above. Subject to the following sentence, the 2023 Series Bonds shall be separately designated “2023 Series A.” Notwithstanding the foregoing, the Executive Director is hereby authorized to approve, in consultation with the Financial Advisor and Bond Counsel to the Commission, such greater number of series of Bonds to be issued in connection with the Financing Plan and to determine the designations therefor. The 2023 Series Bonds are to be issued pursuant to the terms of the Trust Indenture and the Series Indenture. The 2023 Series Bonds shall be limited obligations of the Commission, secured by and payable solely from moneys and other assets pledged therefor under the Indenture, including the Permanent Mortgage Loan and the loan of Recycled Funds to the Borrower. The 2023 Series Bonds shall be issued as obligations the interest on which is excludable from gross income for federal income tax purposes (the “Tax Exempt 2023 Series Bonds”) and/or as obligations the interest on which is includable in gross income for federal income tax purposes, subject to the approval of the Executive Director, in consultation with the Financial Advisor and Bond Counsel to the Commission.

2. **Approval of Financing Plan.** The Commission hereby approves the Financing Plan as described above pursuant to the terms and conditions set forth in the Indenture and such other documents approved hereby.

3. **Series Indenture.** The Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission, or any authorized designee of the Executive Director, is hereby authorized and directed to execute and deliver the Series Indenture in such form as shall be approved by such officer, the execution of such Series Indenture being conclusive evidence of such approval and of the approval of the Commission, and the Secretary-Treasurer of the Commission, or any other authorized officer of the Commission (each, an “Authorized Officer”), is hereby authorized and directed to affix the seal of the Commission to the Series Indenture and to attest the same.

4. ***Tax-Related Documents.*** The Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission is hereby authorized and directed to execute and deliver a Tax Regulatory Agreement and No Arbitrage Certificate and other documents relating to the Tax-Exempt 2023 Series Bonds (collectively, the “Tax-Related Documents”) restricting the application of the proceeds of the Tax-Exempt 2023 Series Bonds in such forms as shall be prepared by Bond Counsel and approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director, their execution of the Tax-Related Documents constituting conclusive evidence of such approval and of the approval of the Commission.

5. ***Disclosure Agreement.*** The Commission hereby authorizes and approves the execution and delivery of a continuing disclosure agreement (the “Disclosure Agreement”) related to the 2023 Series Bonds, in such form as may be approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission, the execution and delivery of the Disclosure Agreement constituting conclusive evidence of such approval of the Disclosure Agreement and of the approval of the Commission.

6. ***Permanent Mortgage Loan; Real Estate Documents.*** The Commission hereby authorizes and approves the financing of the Permanent Mortgage Loan with the proceeds of the 2023 Series Bonds which will be endorsed for federal insurance under the Risk-Sharing Agreement, pursuant to which the Commission will reimburse HUD for its losses under the Permanent Mortgage Loan in an amount not greater than 25% of the outstanding principal balance of the Permanent Mortgage Loan. The Commission hereby further authorizes and approves the preparation, execution and delivery of any and all real estate documents (the “Real Estate Documents”) relating to the Development and the Permanent Mortgage Loan, in its capacity as issuer of the 2023 Series Bonds and in its capacity as the owner of a membership interest in the managing member of the Borrower.

7. ***Offering Documents.*** The Commission hereby authorizes and approves the preparation and distribution of one or more preliminary offering documents of the Commission and the preparation, execution and distribution of one or more final offering documents (collectively, the “Offering Documents”), each relating to the 2023 Series Bonds, in such forms as may be approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission, the execution and delivery of the Offering Documents constituting conclusive evidence of such approval of the Offering Documents and of the approval of the Commission.

8. ***Sale of 2023 Series Bonds.*** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Officer of the Commission is authorized to proceed with the sale of the 2023 Series Bonds to TD Bank, N.A. and/or such other underwriters as may be designated by the Commission, or to any other entity as shall be in the best interest of the Commission as determined by the Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Officer of the Commission.

9. ***Contract of Purchase.*** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Officer of the Commission is authorized to execute a contract of purchase and/or any other form of purchase agreement (the “Contract of Purchase”) in connection with the issuance, purchase and sale of the 2023 Series Bonds.

10. ***2023 A Credit Facility.*** The Commission hereby authorizes and approves the 2023 A Credit Facility. The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Officer of the Commission is hereby authorized to execute a reimbursement agreement (the “Reimbursement Agreement”) and such other agreements, certificates and documents related to the 2023 A Credit Facility (the “Credit Facility Documents”), in such forms as may be approved by the Chairman, the Vice Chairman, the Chairman Pro Tem or the Executive Director of the Commission, the execution and delivery of the Credit Facility Documents constituting conclusive evidence of such approval of the Credit Facility Documents and the approval of the Commission.

11. ***Terms; Ongoing Determinations.*** The Executive Director or other Authorized Officer of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners to establish the dates, maturities, interest payment dates, denominations, terms of redemption, registration privileges, security and other terms, and to approve the interest rates on the 2023 Series Bonds, all of the foregoing to be specified in the related Series Indenture. The Executive Director or other Authorized Officer of the Commission, as the case may be, is hereby authorized, without further action of or authority from the Board of Commissioners, to perform any act, to execute any documents, is hereby authorized, from time to time during the period the 2023 Series Bonds are outstanding, to make ongoing determinations, as may be required by the terms of the related Series Indenture and any other financing documents relating to the 2023 Series Bonds, including, but not limited to, the giving and withholding of consents, the selection of certain providers and the refunding and redemption of the 2023 Series Bonds, and the Executive Director or other Authorized Officer of the Commission, as the case may be, is further authorized to execute any and all documents evidencing such determinations as may be deemed necessary and proper.

12. ***Other Action.*** The Chairman, the Vice Chairman, the Chairman Pro Tem, the Executive Director or other Authorized Officer of the Commission is hereby authorized and directed to execute and deliver any and all additional documents and instruments necessary or proper to be executed and delivered and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution relating to the issuance and sale of the 2023 Series Bonds and the accomplishment of the Financing Plan.

13. ***Appointment of Financial Advisor and Bond Counsel.*** Caine Mitter & Associates Incorporated is hereby appointed as Financial Advisor, and Kutak Rock LLP, Washington, D.C., is hereby appointed as Bond Counsel in connection with the issuance of the 2023 Series Bonds.

14. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the 2023 Series Bonds, the Series Indenture, the Contract of Purchase, the Tax-Related Documents, the Offering Documents, the Disclosure Agreement, the Real Estate Documents, the Credit Facility Documents or in any other agreement or document executed on behalf of the Commission shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Commission in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the 2023 Series Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

15. **Action Approved and Confirmed.** All acts and doings of the officers of the Commission which are in conformity with the purposes and intent of this Resolution and in furtherance of the issuance of the 2023 Series Bonds and the accomplishment of the Financing Plan are hereby approved, and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

16. **Severability.** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision hereof or cause any other provision hereof to be invalid, inoperative or unenforceable to any extent whatsoever.

17. **Effective Date.** This Resolution shall take effect immediately.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on November 16, 2022.

Patrice Birdsong
Special Assistant to the Commission

SANDY SPRING MISSING MIDDLE: APPROVAL TO SELECT AND EXECUTE CONTRACT WITH ZAVOS ARCHITECTURE & DESIGN AS ARCHITECT; FOURTH PHASE OF PREDEVELOPMENT FUNDING, FINAL SITE DESIGN; AND AUTHORIZATION TO SUBMIT PRELIMINARY & SITE PLAN TO PLANNING COMMISSION

SANDY SPRING



CHELSEA J. ANDREWS, EXECUTIVE DIRECTOR

**Zachary Marks, Chief Real Estate Officer
Marcus Ervin, Director of Development
Jay Shepherd, Housing Acquisitions Manager**

November 16, 2022

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Executive Summary

- Since early 2020, the Commission has approved \$1,010,000 in predevelopment funding, including legal costs related to furthering the joint venture between Maryland-National Capital Park and Planning Commission (“M-NCPPC”) and HOC on the Pilot Missing Middle Initiative at Sandy Spring Meadow (Resolution 20-25AS), (Sandy Spring “Missing Middle Pilot Project,” or “Sandy Spring Missing Middle,” or “SSMM” or “S2M2”). Missing Middle Housing is a range of multi-unit or clustered housing types compatible with neighborhoods with detached single-family homes.
- SSMM is a 3.27 +/- acre parcel acquired in 2015 and located at 617 Olney Sandy Spring Road within the Sandy Spring Meadow community. As proposed, SSMM is immediately adjacent to the Sandy Spring Village Center and will cluster new units close to the village center along Skymeadow Way. The most intensive unit types and densities are closest to the village center, which then transition to lower-density building types as one travels south and north along Skymeadow Way. The existing Sandy Spring Meadow portion would create new open space and recreational opportunities.
- During the initial phase of feasibility, staff assembled a preliminary design team. It began to draft the concept plan weaving a new scale, density, character, stormwater management, utilities, parking, and pedestrian access into a cohesive group.
- Staff submitted its Concept Plan to Park and Planning in June 2021, then met with and incorporated ideas from key staff members in the Planning Department to further refine the combined Preliminary Plan/Site Plan application for submittal, with the following attributes:
 - Retention of eleven (11) existing detached houses;
 - Demolition of one (1) detached house at 617 Olney-Sandy Spring Road;
 - **Construction of two (2) new semi-detached houses;**
 - **Construction of ten (10) new stacked duplex dwelling buildings;**
 - **Construction of six (6) new Side-by-Side Duplex dwelling buildings;**
 - **Construction of one (1) new attached townhouse;**
 - Construction of approximately 960 square feet of community space; and
 - Creation of new community open spaces, pathways, and recreational facilities.

19 new units

Current Staff Requests:

1. Staff is requesting authority to submit the combined Preliminary and Site Plan applications to Planning; and
2. Staff is requesting the fifth tranche of \$559,000 from the Opportunity Housing Reserve Fund (“OHRF”) to fund the final Site Plan, Record Platting, and Permitting costs for the Sandy Spring Missing Middle opportunity;
3. Staff seeks authority to contract with Zavos Architecture & Design as Architect and associated engineering for Sandy Spring Missing Middle Opportunity.



Sandy Spring Missing Middle Site Plan Preparation Materials – Elevation. August 2022.

Parcel Aggregation History and Prior Commission Actions

Parcel Aggregation History: In May 2013, the Montgomery County Planning Department (“Planning”) began revising the Sandy Spring Rural Village Plan. From the outset, HOC staff actively participated in the revision process to produce viable redevelopment capacity for Sandy Spring Meadow itself and realign the town center intersection of Brooke Road and Route 108 to accommodate the creation of a more formal town square. On January 14, 2015, the Commission approved the purchase of the single-family house and lot located at 617 Olney Sandy Spring Road (“617 O-SS”), immediately adjacent to Sandy Spring Meadow Apartments. The HOC investment created new mixed-income housing opportunities with the purchase, increased connectivity to and around the Sandy Spring Meadow property, fostered long-term relationships with Montgomery County agencies and enhanced the property’s economic viability.

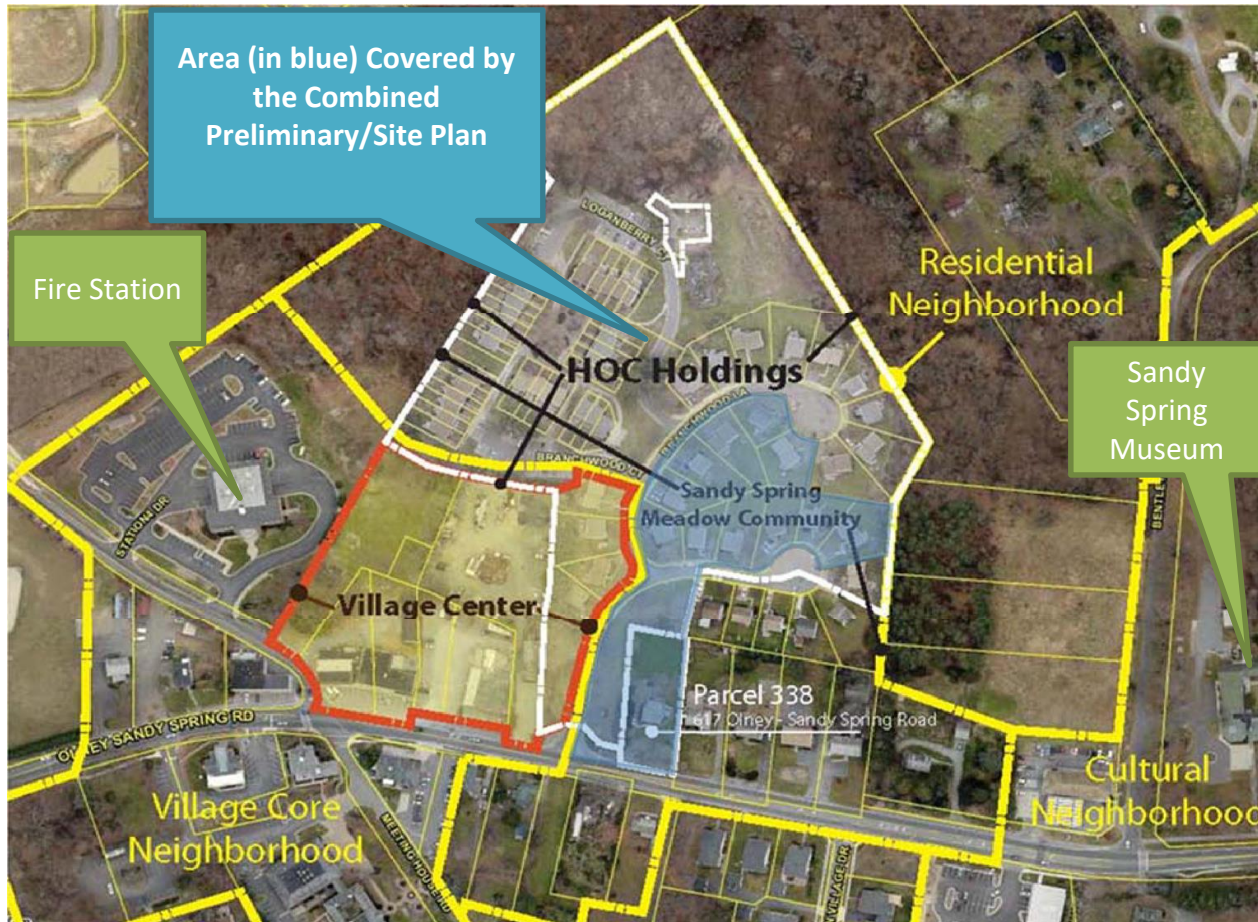
Further enhancing the goals of the Sandy Spring Master Plan and the community, a second Sandy Spring opportunity is the potential acquisition of three (3) lots adjacent to the east side of Sandy Spring Meadow along Bentley Road. These lots are currently owned by a small development firm that entitled the three (3) three (3) single-family detached homes. The development firm has expressed a desire to sell its interest.

Prior Approved Commission actions include the following:

- 1. March 4, 2020** - The Commission approved \$75,000 in feasibility funding from the OHRF to explore the joint venture between M-NCPPC and HOC on the Pilot Missing Middle Initiative at Sandy Spring Meadow (**Resolution 20-25AS**).
- 2. July 1, 2020** - The Commission approved the second tranche of funding in the amount of \$330,000 to continue predevelopment activities at the Pilot Missing Middle Initiative, to be funded by a draw on the Opportunity Housing Reserve Fund. (**Resolution 20-55**).
- 3. January 13, 2021** - The Commission approved a Task Order under the current pool contract with Selzer, Gurvitch, Rabin, Wertheimer & Polott, P.C. for approximately \$280,000 for legal land use services for the entitlement of the SSMM Initiative development, including a Predevelopment Budget increase of \$180,000, to be funded by a draw on the Opportunity Housing Reserve Fund. (**Resolution 21-08**).
- 4. May 5, 2021** - The Commission approved the third tranche of funding in the amount of \$425,000 from the OHRF to allow Concept Plan Application and Submittal to Planning (**Resolution 21-47**).

Sandy Spring Rural Village Plan

In May 2013, the Montgomery County Planning Department (“Planning”) began the process of revising the Sandy Spring Rural Village Plan (the “Plan”). From the outset, HOC staff actively participated in the revision process to produce viable redevelopment capacity for Sandy Spring Meadow itself and realign the town center intersection of Brooke Road and Route 108 to accommodate the creation of a more formal town square. The result of the effort is the recommended plan, included in the revised Plan adopted by the County Council, in March 2015.



The plan transforms Skymeadow Way from a straitened entry road to the eastern frontage for the future town square. Planning and Council placed a high value on creating connectivity among properties within the Plan and adding open space. Sandy Spring currently has virtually no public open space.

Bracketing the Plan area, the Sandy Spring Volunteer Fire Department station, and Sandy Spring Museum – technically private institutions – are the two predominant event venues. Traversing from one location to another by foot or bicycle is impossible.

Figure 2. The vicinity Map of Sandy Spring shows the master-planned village center, the HOC holdings, and the Concept Plan Application area in blue. Previous dedications are not shown.

Missing Middle Demonstration/Pilot Project

The Sandy Spring Missing Middle is a proposed planned development on the aggregated redevelopment of the 617 Olney Sandy Spring lot (purchased by the Commission in 2015), and the undeveloped portion of Sandy Spring Meadow near the property's entrance is immediately adjacent to the Sandy Spring Village Center. It is a pilot program to integrate affordable housing composed of multi-unit housing types (duplexes, triplexes, bungalow courts, and mansion apartments) into blocks with primarily single-family homes. The outcome creates diverse housing choices and enough density to support transit and locally-serving commercial use. Thus far, no one has attempted to deliver a Missing Middle prototype despite strong interest from both housing advocates and the Director of Planning.



As a Demonstration/Pilot project, HOC is recording critical documentation of the issues associated with this housing type and will also implement several public policy goals, including enhancing the Sandy Spring village center, increasing affordable housing, and providing an incubator project for the study, documentation, and assessment of the Missing Middle Housing concept.

HOC is ready to begin the work of fine-level drawings for permits and construction beyond the concept drawings done so far and has solicited its Architectural pool to engage in that work.

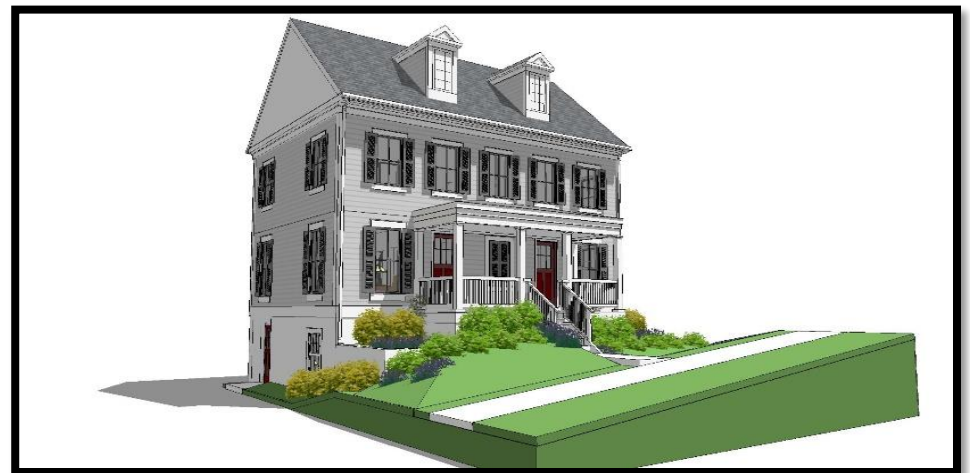


Figure 3. Typical Side-by-Side Duplex and proposed perspectives. The ground floor is an Accessible Dwelling, and floors 1 & 2 contain a 2-bedroom dwelling.

Preliminary and Site Plan Design

SITE PLAN NO. 820220090 AND PRELIMINARY PLAN NO. 120220050

As consistent with the intent of the Sandy Spring Rural Village Plan, HOC has prepared Preliminary and Site Plan Applications on whereby the following is constructed:

1. Nineteen (19) dwelling units in the form of one (1) townhouse and eighteen (18) duplex units (located on eleven (11) record lots), including at least 25% Moderately Priced Dwelling Units (“MPDUs”), and
2. Retention of eleven (11) single-family detached dwelling units developed as part of the Cluster Subdivision on the Property. The duplex units are comprised of a mix of stacked and semi-detached duplex units, as shown in the figure. There will be 33 parking spaces and private amenities. The Project will provide a minimum of 25% MPDUs across different housing typologies per the Master Plan’s goal of providing infill housing opportunities for all ages and income levels.



Lot	Building Type	Floor(s)/Location	Unit	Bedrooms	Approx. GSF	Accessible
1	Stacked Duplex	1	Community Space	n/a	888	Yes
		2	Flat	2	831	No
		3	Flat	2	915	No
2	Stacked Duplex	1	Flat	1	872	Yes
		2/3	2-story	4	1,850	No
3	Stacked Duplex	1	Flat	Studio	494	Yes
		2/3	2-story	2	988	No
4	Townhouse	All	3-story/2-car gar.	2	868*	No
5	Side-by-Side Duplex	Front	3-story	2***	1,482	No**
		Rear	3-story/2-car gar.	2	868*	No
6	Side-by-Side Duplex	Front	3-story	2***	1,482	No**
		Rear	3-story/2-car gar.	2	868*	No
7	Side-by-Side Duplex	Front	3-story	2***	1,482	No**
		Rear	3-story/2-car gar.	2	868*	No
8	Stacked Duplex	1	Flat	1	944	Yes
		2/3	2-story	4	1,850	No
9	Stacked Duplex	1	Flat	1	944	Yes
		2/3	2-story	4	1,850	No
10	Semi-Detached	All	3-story	2	988*	No
11	Semi-Detached	All	3-story	2***	1,482	No**

*GSF does not include garage.
 **Not currently accessible, but could be modified so lowest level is accessible.
 ***Number of bedrooms could be increased by modifying lower level.



Preliminary and Site Plan Design

- The architectural concept for the Project was informed by the Master Plan that strongly encouraged “infill housing for all ages and income levels” that allows Sandy Spring Meadow to ‘reconnect’ to the greater village.
- The existing Sandy Spring Meadow comprises single-family detached homes and larger townhomes, so it was determined that a compliment would be the addition of smaller duplexes and townhouses to provide the larger spectrum of opportunities envisioned in the master plan.
- All buildings are designed to have the architectural treatment, form, scale, and appearance of single-family homes. Porches are included in all buildings. Buildings face onto the two (2) frontage roads, and parking is generally in the rear of the structures with substantial landscaping to screen it from abutting properties.
- All units are rental and will be owned by the Applicant. Unit sizes vary from small studio apartments of approximately 500 square feet to including 3- and 4-bedroom units for families up to 1,874 square feet.



Figure 4. Proposed elevation view of the Project from MD Route 108 (Olney Sandy Spring Road),, looking north.



Figure 5. Proposed elevation view of the Project from Skymeadow Way, looking east.

Preliminary and Site Plan Design

Slides 9 through 12 illustrate the proposed housing types for the community. Further refinements to interior layouts, design and MEP Engineering have yet to be completed.



Preliminary and Site Plan Design



Preliminary and Site Plan Design



Site Plan – Universal Design

Universal Design

The Sandy Spring Missing Middle Building Configurations include accessibility considerations by starting with a design mandate for inclusion and flexibility.

The Site Plan provides four (4) fully-accessible units that would not have been otherwise offered within a Single-Family Zone, which is a proven benefit of the Missing Middle project.



For instance, the fully accessible unit in the main building in the center of the site is an example of how the design of both duplexes (side-by-side and stacked) will promote an accessible unit on the ground floors. The ground floor of this proposed building is an example of where accessibility can be incorporated into the landscape and building using the natural grade to promote ease of access with a covered porch, zero-step entrance, an accessible parking space, and adjacent accessible aisle which are a few of the primary Universal Design principles. The subsequent slide will illustrate Universal Design features that are being considered for the building interiors, all of which will continue to be explored by Staff and the design team.

Site Plan – Universal Design

The proposed Community Building with the units above contains several accessible and Universal Design features, including:

- One-story living with the dining, sleeping, and living rooms located on one level;
- An accessible bathroom located on the first floor with a roll-in shower;
- A zero-step entry and covered porch; and
- Wide doorways and hallways allow residents to move freely throughout the unit.

While the interior design spaces are still in the programming phase, Staff will continue exploring methods for implementing additional Universal Design features to promote inclusivity and aging-in-place.



Architectural RFP and Selection

In 2018, HOC's Procurement Office issued a Request for Proposal and selected and contracted for a pool of architecture firms (Contract 18-2080). On June 10, 2022, staff solicited all thirteen (13) firms in the pool with a request for pricing proposals for the Architectural and Engineering Design of Contract #18-2080, Residential townhouses and duplex units in Sandy Spring, Maryland.

The scope of services outlined in RFP #2330 included the need for services over an estimated 26-month period from award to completion:

- **Schematic Design, including Mechanical, Electrical, and Plumbing ("MEP"),**
- **Design Development, including Structural, MEP, Fire Sprinkler, and Landscape, if required,**
- **Construction Documentation, Permitting, and Bidding Phase,**
- **Construction Documentation and GMP Package,**
- **Permitting and Bidding,**
- **Phasing, Demolition, and Grading Plans, and**
- **Construction Administrative Services (Projected by the owner at 12 months)**

Four (4) firms responded, and all four (4) were deemed responsive and responsible. Firms were evaluated based on the following criterion:

1. Company Information and Qualifications

- 1. Proposed Project Team Qualifications and Availability, including written assurances that if awarded the Project, the proposed team will be assigned for the entire duration of the Project to maintain consistency in the team.**

1. Project Approach

1. Describe the firm's design philosophy and how it relates to the County and this Project.
2. Describe their methodology for completing this Project, including coordination with project stakeholders and the selected Construction Manager/General Contractor.
3. Describe their approach to designing a unique yet appropriately located residential development to accomplish the vision and goals of this Project.
4. Describe their firm's approach to determining the most efficient and cost-effective MEP systems for the Project. Identify their experience with various types of MEP systems. Identify any unique opportunities for this Project related to these systems.

- 1. Compensation, including the Architect Fee Matrix.**

Architectural RFP and Selection- Bidders

HOC received four (4) responsive proposals in response to the RFP under 18-2080 by the proposal deadline on July 8, 2022, at 3:00 pm and are listed alphabetically below.

CONTRACT #18-2080 RESPONDENT, REQUEST FOR PROPOSAL – PRICING FOR ARCHITECTURAL AND ENGINEERING DESIGN

Company Name	Address	Notes
BENNETT FRANK MCCARTHY ARCHITECTS, INC.	1400 SPRING STREET, SUITE 320 SILVER SPRING, MD 20910-2755	NO EXCEPTIONS – PROCEED TO REVIEW.
KARL RIEDEL ARCHITECTURE, P.C.	4 LOUDOUN STREET, SW LEESBURG, VA 20175	NO EXCEPTIONS – PROCEED TO REVIEW.
MINER FEINSTEIN ARCHITECTS, LLC.	241 EAST 4 TH STREET, SUITE 207 FREDERICK, MD 21701	NO EXCEPTIONS – PROCEED TO REVIEW.
ZAVOS ARCHITECTURE & DESIGN, LLC	21 BYTE COURT, STE 1 FREDERICK, MD 21702	NO EXCEPTIONS – PROCEED TO REVIEW.

Architectural RFP and Selection- Scoring

Four (4) design firms provided the pricing in a Fee Matrix that was consolidated to show a comparison between the firms.

RFP Solicitation to Contract 18-2080	Project Role/Discipline	Respondents			
		BFM	KRA	MFA	ZAD
	Architecture	\$ 309,300	\$ 273,300	\$ 376,000	\$ 120,000
Proposed Sub-consultants: (Note that the HOC may elect to initiate a separate procurement process in collaboration with the Architect to select certain or all sub-consultants.)					
	Landscape Architecture	\$ 4,250	\$ 11,880	\$ 10,800	\$ -
	Civil Engineering	\$ -	\$ -	\$ -	\$ -
	Structural Engineering	\$ 71,300	\$ 67,100	\$ 41,900	\$ 89,500
	MEP Engineering	\$ 132,500	\$ 141,205	\$ 127,367	\$ 49,500
	Cost Estimation	\$ -	\$ -	\$ -	\$ -
	Rows Following are Add / Alternate			\$ -	
	Add rows for other as relevant specialty services not listed above (e.g. Sustainability, Life Safety, Solar, etc.) **Team will investigate the appropriate level of sustainability for the project.	\$ -			
		\$ -			
	[Additional Role]				
	[Additional Role]				
Other Proposed Services:					
As applicable, identify any additional fee(s) associated with Building Information Modeling ("BIM") production and list the itemized costs if any.		\$ -		\$ -	
Provide allowance for design level site survey.		\$ -		\$ -	
Reimbursable Expenses Allowance =		\$ 5,000	\$ 4,935	\$ 7,800	\$ 7,500
Scoring Analysis: Grand Total LESS Total Add/Alternate		\$ 522,350	\$ 498,420	\$ 563,867	\$ 266,500

- Zavos Architecture & Design ("ZAD") offered the lowest price at \$266,500 while being the most responsive bidder, beating the highest-priced firm, Miner Feinstein ("MFA"), by nearly \$300,000. Karl Reidel ("KRA") was priced at \$498,420 and was the second lowest, and Bennett Frank McCarthy ("BFM") was priced at \$522,350. On a bid comparison basis, ZAD was significantly less expensive, so staff performed due diligence to ensure there were no omissions or oversight items in the ZAD bid. Staff determined that ZAD 1) understood all the bid terms and submitted an aggressive proposal accordingly, and 2) had recent experience with the missing middle product type which they felt afforded them a confidence in pricing and total cost.
- Most recently, all four (4) firms have worked with HOC: KRA - Georgian Court Apartments/880 Bonifant Office; MFA - Alexander House/Metropolitan; BFA – Shady Grove Apartments; and ZAD – Stewartown Homes.
- ZAD did not provide a price for landscape architecture, and upon inquiry, stated they would use the approved Landscape Plan prepared by Townscape Design in the Natural Resource Inventory submission. The other bidders confirmed they could also use the existing plan as-is, so that layer of pricing could be removed from each firm with a negligible difference in price ranking.
- ZAD also confirmed that the team presented in this RFP submission should remain on the project throughout the entire project.
- Staff proposes proceeding with Zavos Architecture and Design to complete the work and execute a contract based on this pricing. HOC Works Compliance will be met.

Predevelopment Budget

Phase(s) 1-4 Budget

rev. 9.1.22

Sources				OHRF
Resolution 20-25AS				\$75,000.00
Resolution 20-55				\$330,000.00
Resolution 21-08				\$180,000.00
Resolution 21-47	PHASE III			\$425,000.00
Resolution 22-XX	PHASE IV			\$559,000.00
Total				\$1,569,000.00

Uses - PHASE I & II	Vendor	PO	Approved Budget	Actual
				\$0.00
Total Phase I and II			\$93,627.75	\$93,627.75

Uses - PHASE III	Vendor	PO	Approved Budget	Actual
Total Phase III			\$916,372.25	\$661,291.25

Uses - Phase IV Site Plan to Closing on Finance	Vendor	PO	Budget	Total Expected
Land Planning	Townscape Design		\$50,000.00	\$50,000.00
Architectural (SD, DD, CD)	TBD		\$225,000.00	\$225,000.00
MEP			\$116,000.00	\$116,000.00
Structural			\$56,950.00	\$56,950.00
Specialty (incl. sustainability and ADA)	Various		\$184,800.00	\$184,800.00
Noise Study	Phoenix		\$8,892.50	\$8,892.50
Civil Engineering	AMT		\$50,000.00	\$50,000.00
Dry Utility Consultant (incl. test pitting)	DFM		\$66,500.00	\$66,500.00
Real Estate Counsel	TBD		\$15,000.00	\$15,000.00
Subdivision Record Plat - Surveying	TBD		\$0.00	\$0.00
Permit and Application Fees			\$0.00	\$0.00
Historical Research	History Associates Inc.		\$0.00	\$0.00
Contingency			\$40,938.50	\$40,938.50
Total Phase III			\$814,081.00	\$814,081.00

Combined Total USES Phase I-IV			\$1,824,081	\$1,569,000.00
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Current Phase Four Objectives:

- Site Plan Submission
- Complete Development Team Procurement, including but not limited to Site Civil, Land Planning, and Architectural & Engineering.
- Obtain Site Plan approval.
- Receive NRI/FSD approval.
- File and receive record plats.
- File and receive building permits.
- Prepare and release RFP for General Contractor and Construction Manager selections. Review and prepare for Commission Approvals.
- Negotiate and execute MOU with development partner(s).
- Prepare Financing Plan.
- Develop a final schedule of costs for financing, sustainability, third-party testing, Builders Risk Insurance, Subdivision Bonds, and other fees pre-construction.

Staff is requesting \$559,000 for FY23 feasibility funding for the Sandy Spring Missing Middle redevelopment. This includes engagement of additional Land Planning, Site Civil, Dry Utilities, Architectural & Engineering, Plat Surveying, and Permit and Application Fees brought forward in the predevelopment phase of the project. Staff proposes utilizing the Opportunity Housing Reserve Fund ("OHRF") as the source of this feasibility funding, to be repaid upon closing the construction financing. Future Commission requests will include the Final Development and Financing Plans, General Contractor selection, and all other pre-construction funding requests if not covered by the current budget.

Summary and Recommendations

ISSUES FOR CONSIDERATION

Will the Commission accept staff's recommendation, which is supported by the Development and Finance Committee to:

- Authorize submission of the combined Preliminary and Site Plan applications to Planning;
- Approve the fifth tranche of \$559,000 from the Opportunity Housing Reserve Fund ("OHRF") to fund the final Site Plan, Record Platting, and Permitting costs for the Sandy Spring Missing Middle opportunity; and
- Authorize the Executive Director to negotiate and execute a contract with Zavos Architecture & Design to provide architectural and associated engineering services for Sandy Spring Missing Middle Opportunity?

BUDGET/FISCAL IMPACT

The decision will not involve changes to HOC's current FY2023 operating budget. The fiscal impact is that if these funds are approved, they will not be available for use on other projects and will reduce available cash in the OHRF by \$559,000. The OHRF had a sufficient balance at the time of writing to cover these costs and will be reduced by \$559,000 for this item.

TIME FRAME

For formal action at the November 16, 2022 meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends the Commission:

- Authorize submission of the combined Preliminary and Site Plan applications to Planning;
- Approve the fifth tranche of \$559,000 from the Opportunity Housing Reserve Fund ("OHRF") to fund the final Site Plan, Record Platting, and Permitting costs for the Sandy Spring Missing Middle opportunity; and
- Authorize the Executive Director to negotiate and execute a contract with Zavos Architecture & Design to provide architectural and associated engineering services for Sandy Spring Missing Middle Opportunity.

RESOLUTION No: 22-78

RE: Approval to Select and Execute a Contract with Zavos Architecture & Design for Sandy Spring Missing Middle, Approval of the Fourth Phase of Predevelopment Funding, Approval of Final Site Design; and Authorization to Submit a Final Site Plan to the Planning Commission

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) owns a single family home and lot located at 617 Olney Sandy Spring Road (“617 Property”) and, through an affiliate, owns a multifamily townhouse and single-family community called Sandy Spring Meadow (the “SSM Property”); and

WHEREAS, HOC intends to combine a portion of the SSM Property with the 617 Property (collectively, the “Sandy Spring Lots”) to create a Missing Middle development, a development style with a range of multi-unit or clustered housing types—compatible in scale with detached single-family homes—that will help to meet the growing demand for walkable urban living (such development concept at the Sandy Spring Lots, the “S2M2 Development”); and

WHEREAS, the Commission has approved \$1,010,000 in predevelopment funding to support the S2M2 Development, specifically (i) on March 4, 2020, the Commission approved \$75,000 from the Opportunity Housing Reserve Fund (the “OHRF”) to explore a joint venture between the Maryland-National Capital Park and Planning Commission and HOC, (ii) on July 1, 2020, the Commission approved a second tranche of \$330,000 from the OHRF to continue predevelopment activities, (iii) on January 13, 2021, the Commission approved a third tranche of \$180,000 from the [OHRF] to pay for legal land use services from Selzer, Gurvitch, Rabin, Wertheimer & Polott, P.C. for the entitlement of the S2M2 Development, and (iv) on May 5, 2021, the Commission approved a fourth tranche of \$425,000 from the OHRF to continue predevelopment activities and the submission of a Concept Plan Application to the Planning Commission; and

WHEREAS, in July of 2021, HOC submitted a Concept Plan Application to the Planning Commission and subsequently received comments to such concept plan;

WHEREAS, after incorporating such comments into a revised concept plan, the Commission desires to take the next step in the development process and submit a combined Preliminary and Site Plan Design Application for the S2M2 Development to the Planning Commission; and

WHEREAS, HOC wishes to engage an Architectural and associated engineering (“A&E”) firm to prepare the architectural plans needed for the construction of the S2M2 Development; and

WHEREAS, the Commission issued a request for proposals for architectural services for the S2M2 Development (“RFP# 2330”) to the pool of architecture firms under Contract 18-2080; and

WHEREAS, Zavos Architecture & Design (“Zavos”) met the qualifications for most responsive and responsible bidder based on experience with HOC, experience with this style of development, Montgomery County and price; and

WHEREAS, the Commission desires to select Zavos as the architect for the S2M2 Development and authorize the Executive Director of HOC to execute a contract (the “Architect Contract”) with Zavos; and

WHEREAS, the Commission desires to approve a fourth phase of funding in the amount of \$559,000 from the OHRF to cover the expenditures of the architectural and associated engineering required plus additional expenditures related to the predevelopment activities for the S2M2 Development; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance any capital expenditures for the redevelopment of the S2M2 Development in an amount not to exceed \$25,000,000, *all or a portion of which may reimburse* the Commission for the portion of such capital expenditures incurred or to be incurred subsequent to the date, which is 60 days prior to the date hereof, but before such borrowing, and the proceeds of such tax-exempt borrowing will be allocated to reimburse the Commission’s expenditures within 18 months of the later of the date of such capital expenditures or the date that the S2M2 Development is placed in service (but in no event more than 3 years after the date of the original expenditure of such moneys); and

WHEREAS, the Commission hereby desires to declare its official intent, pursuant to Treasury Regulation §1.150-2, to reimburse the Commission for such capital expenditures with the proceeds of the Commission’s future tax-exempt borrowing for such projects named in this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes the Executive Director to (i) submit the Preliminary and Site Plan Application for the S2M2 Development to the Planning Commission, (ii) negotiate and execute the Architect Contract, and (iii) expend up to \$559,000 to continue predevelopment activities for the S2M2 Development, to be funded by a draw on the OHRF and reimbursed at closing of the construction financing for the S2M2 Development.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to finance costs related to the predevelopment and other expenditures of the S2M2 Development located in Sandy Spring, Montgomery County, with moneys currently contained in its OHRF and any other funds of the Commission so designated for use by the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that all of the capital expenditures covered by this Resolution which may be reimbursed with proceeds of tax-exempt borrowings will be incurred not earlier than 60 days prior to the date of this Resolution except preliminary expenditures as defined in Treasury Regulation Section 1.150-2(f)(2) (e.g. architect’s fees, engineering fees, costs of soil testing and surveying).

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$25,000,000 will be applied to reimburse the Commission for its expenditures in connection with the S2M2 Development.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County

authorizes and directs the Executive Director, or his designee, without further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein including, but not limited to, the execution of any and all documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on November 16, 2022.

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Patrice M. Birdsong
Special Assistant to the Commission

Deliberation and/or Action

AGENCY AUDIT: ACCEPTANCE OF HOC FISCAL YEAR 2022 AUDITED FINANCIAL STATEMENTS, SINGLE AUDIT REPORT, AND MANAGEMENT LETTER

November 16, 2022

- HOC received an unmodified audit opinion on the Financial Statement Audit.
- Three programs were tested in the Single Audit. HOC received an unmodified audit opinion on the Housing Choice Voucher Program (“HCVP”) and Continuum of Care Program and a qualified audit option on the Section 8 Project Based Voucher Cluster.
- HOC received a Management Letter with one item: (1) HCVP Quality Control Re-Inspections.
- Management has provided responses, which are included in the Management Letter items.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea Andrews, Executive Director

FROM: Staff: Timothy Goetzinger, Acting Chief Financial Officer Division: Finance
Eugenia Pascual, Controller
Francisco Vega, Assistant Controller
Claudia Wilson, Accounting Manager
Niketa Patel, Accounting Manager
Nilou Razeghi, Accounting Manager

RE: Agency **Audit:** Acceptance of HOC Fiscal Year 2022 Audited Financial Statements, Single Audit Report, and Management Letter

DATE: November 16, 2022

BACKGROUND:

HOC’s auditor, CliftonLarsonAllen LLP (“CLA”), prepared the results of the FY’22 Audited Financial Statements, Single Audit Report, and Management Letter. Each Commissioner has had an opportunity to review the draft audit .

ISSUES FOR CONSIDERATION:

The final draft Annual Comprehensive Financial Report (“ACFR”), Single Audit Report, and Management Letter are included with this memorandum. The final signed reports will be provided at the Commission meeting on November 16, 2022. No significant changes are anticipated.

Financial Statement Audit

The Commission received an unmodified audit opinion on the financial statements for the year ended June 30, 2022.

The financial statements for HOC’s calendar year-end discretely presented component units (“DCUs”) are consolidated and presented next to the Commission’s consolidated financial statements. The detailed financial statements of each of the DCU properties are also presented on separate pages. The information is based on each DCU’s audited financial statement as of December 31, 2021.

Single Audit Report

Attached is the final Single Audit Report for FY’22. Three programs were tested in the Single Audit, (1) Housing Choice Voucher Program; (2) Project Based Voucher Program; (3) McKinney

Vento Continuum of Care Program. HOC received an unmodified audit opinion for the Housing Choice Voucher Program (“HCVP”) and Continuum of Care Program and a qualified audit opinion for the Section 8 Project Based Cluster. Three “Significant Deficiencies in Internal Control over Compliance” were identified in the HCVP Program. Two “Material Weaknesses in Internal Control over Compliance” were identified in the Section 8 Project Based Voucher Cluster. The Continuum of Care Program had no findings.

Management Letter

A requirement when performing an audit of an entity’s financial statements is to prepare a Management Letter, which communicates audit related findings related to internal controls to Management’s governing body (Commission in the case of HOC), as required by SAS No. 112.

The Commission received a Management Letter comment in the following area: (1) HCVP Quality Control Re-Inspections. Please see attached letter and management’s response.

BUDGET IMPACT:

None. A funding source for the audit is budgeted during the HOC budget process each year.

TIME FRAME:

Action is requested at the November 16, 2022 Commission meeting. The Audited Financial Statements must be published by December 1, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends to the full Commission, the acceptance of the HOC FY’22 Audited Financial Statements, Single Audit Report, and Management Letter.

RESOLUTION NO. 22-79

**RE: Acceptance of HOC FY'22 Audited
Financial Statements Single Audit
Report, and Management Letter**

WHEREAS, the independent auditors, CliftonLarsonAllen LLP, presented their report for FY'22, which included the FY'22 Audited Financial Statements, Single Audit Report, and Management Letter, to the Housing Opportunities Commission of Montgomery County (the "Commission"); and

WHEREAS, at a meeting held on November 16, 2022, the Commission reviewed the FY'22 Audited Financial Statements, Single Audit Report, and Management Letter.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County accepts the FY'22 Audited Financial Statements, Single Audit Report, and Management Letter prepared by CliftonLarsonAllen LLP.

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

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on November 16, 2022.

S
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L

**Patrice M. Birdsong
Special Assistant to the Commission**

Recess

Development Corporation Meetings

Barclay Apartments Development Corporation

BARCLAY APARTMENTS DEVELOPMENT CORPORATION

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

Minutes

October 5, 2022

22-002

Chair Priest convened the meeting of the Barclay Apartments Development Corporation on October 5, 2022 at 5:23 p.m. via a hybrid platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jackie Simon

Absent

Jeffrey Merkowitz

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Zachary Marks
Marcus Ervin
Lynn Hayes
Nathan Bovelie
Bonnie Hodge
Terri Fowler
Jennifer Arrington
Alex Torton
Ian Hawkins

Kayrine Brown, Deputy Executive Director
Timothy Goetzinger
Fred Swan
Eugenia Pascual
Darcel Cox
Jay Shepherd
Nilou Razeghi
Paige Gentry
David Brody

Attending via Zoom

Paulette Dudley
John Broullire
Ellen Goff
Leidi Reyes
Matt Husman

IT Support

Aries "AJ" Cruz
Genio Etienne
Irma Rodriguez

Support to the Corporation

Patrice Birdsong, Special Assistant

Prior to calling the meeting to order, Chair Priest explained that development corporations are entities that are wholly-controlled by the Housing Opportunities Commission of Montgomery County (“HOC”) and own various HOC properties. For each development corporation, the Board of Directors is comprised of the HOC Commissioners and the officers are the same as the officers of the Commission. Chair Priest also announced that the development corporations are being asked to extend the property management contract for their respective properties.

Chair Priest called to order the meeting of the Barclay Apartments Development Corporation and opened the floor to the Executive Director to request approval of the single item on the agenda.

A. Barclay Apartments Development Corporation: Authorization to Extend the Property Management Contract for Barclay Apartments Development Corporation

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, and Jackie Simon. Linda Croom opposed. Jeffrey Merkwowitz was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-002BC

RE: Authorization to Extend the Property Management Contract for Barclay Apartments

WHEREAS, Barclay Apartments Development Corporation partly owns the development known as Barclay Apartments located in Chevy Chase, Maryland; and

WHEREAS, staff desires to extend the current property management contract Barclay Apartments with Residential One through March 31, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Barclay Apartments Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at Barclay Apartments with Residential One through March 31, 2024.

BE IT FURTHER RESOLVED by the Board of Directors of Barclay Apartments Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:24 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

Adjourn

Magruder's Discovery Development Corporation

MAGRUDER'S DISCOVERY DEVELOPMENT CORPORATION

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

Minutes

October 5, 2022

22-002

Chair Priest convened the meeting of the Magruder's Discovery Development Corporation on October 5, 2022 at 5:24 p.m. via a hybrid platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jackie Simon

Absent

Jeffrey Merkowitz

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Zachary Marks
Marcus Ervin
Lynn Hayes
Nathan Bovelie
Bonnie Hodge
Terri Fowler
Jennifer Arrington
Alex Torton
Ian Hawkins

Kayrine Brown, Deputy Executive Director
Timothy Goetzinger
Fred Swan
Eugenia Pascual
Darcel Cox
Jay Shepherd
Nilou Razeghi
Paige Gentry
David Brody

Attending via Zoom

Paulette Dudley
John Broullire
Ellen Goff
Leidi Reyes
Matt Husman

IT Support

Aries "AJ" Cruz
Genio Etienne
Irma Rodriquez

Support to the Corporation

Patrice Birdsong, Special Assistant

Chair Priest called to order the meeting of the Magruder's Discovery Development Corporation and opened the floor to Executive Director Andrews to request approval of the single item on the agenda.

A. Magruder's Discovery Development Corporation: Authorization to Extend the Property Management Contract for Magruder's Discovery Development Corporation

The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, and Jackie Simon. Linda Croom opposed. Jeffrey Merkwowitz was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-002_{MD}

RE: Authorization to extend the Property Management Contract for Magruder's Discovery

WHEREAS, Magruder's Discovery Development Corporation owns the development known as Magruder's Discovery located in Bethesda, Maryland; and

WHEREAS, staff desires to extend the current property management contract at Magruder's Discovery with Edgewood Management through December 31, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Magruder's Discovery Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at Magruder's Discovery with Edgewood Management Corporation through December 31, 2023.

BE IT FURTHER RESOLVED by the Board of Directors of Magruder's Discovery Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:25 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

Adjourn

The Metropolitan Development Corporation

METROPOLITAN DEVELOPMENT CORPORATION

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

Minutes

October 5, 2022

22-004

Chair Priest convened the meeting of the Metropolitan Development Corporation on October 5, 2022 at 5:25 p.m. via a hybrid platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jackie Simon

Absent

Jeffrey Merkowitz

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Zachary Marks
Marcus Ervin
Lynn Hayes
Nathan Bovelie
Bonnie Hodge
Terri Fowler
Jennifer Arrington
Alex Torton
Ian Hawkins

Kayrine Brown, Deputy Executive Director
Timothy Goetzinger
Fred Swan
Eugenia Pascual
Darcel Cox
Jay Shepherd
Nilou Razeghi
Paige Gentry
David Brody

Attending via Zoom

Paulette Dudley
John Broullire
Ellen Goff
Leidi Reyes
Matt Husman

IT Support

Aries "AJ" Cruz
Genio Etienne
Irma Rodriquez

Support to the Corporation

Patrice Birdsong, Special Assistant

Chair Priest called to order the meeting of the Metropolitan Development Corporation and opened the floor to Executive Director Andrews to request approval of the single item on the agenda. Staff addressed question raised by Commissioner Byrd.

A. The Metropolitan Development Corporation: Authorization to Extend the Property Management Contract for The Metropolitan Development Corporation

The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Vice Chair Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, and Jackie Simon. Linda Croom opposed. Jeffrey Merkwowitz was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-004_{ME}

RE: Authorization to extend the Property Management Contract for The Metropolitan

WHEREAS, The Metropolitan Development Corporation partly owns the development known as The Metropolitan located in Bethesda, Maryland; and

WHEREAS, staff desires to extend the current property management contract at The Metropolitan with Bozzuto Management through December 31, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of The Metropolitan Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at The Metropolitan with Bozzuto Management through December 31, 2023.

BE IT FURTHER RESOLVED by the Board of Directors of The Metropolitan Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:26 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

Adjourn

Montgomery Arms Development Corporation

MONTGOMERY ARMS DEVELOPMENT CORPORATION

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

Minutes

October 5, 2022

22-002

Chair Priest convened the meeting of the Montgomery Arms Development Corporation on October 5, 2022 at 5:26 p.m. via a hybrid platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jackie Simon

Absent

Jeffrey Merkowitz

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Zachary Marks
Marcus Ervin
Lynn Hayes
Nathan Bovelie
Bonnie Hodge
Terri Fowler
Jennifer Arrington
Alex Torton
Ian Hawkins

Kayrine Brown, Deputy Executive Director
Timothy Goetzinger
Fred Swan
Eugenia Pascual
Darcel Cox
Jay Shepherd
Nilou Razeghi
Paige Gentry
David Brody

Attending via Zoom

Paulette Dudley
John Broullire
Ellen Goff
Leidi Reyes
Matt Husman

IT Support

Aries "AJ" Cruz
Genio Etienne
Irma Rodriquez

Support to the Corporation

Patrice Birdsong, Special Assistant

Chair Priest called to order the meeting of the Montgomery Arms Development Corporation and opened the floor to Executive Director Andrews to request approval of the single item on the agenda.

A. Montgomery Arms Development Corporation: Authorization to Extend the Property Management Contract for the Montgomery Arms Development Corporation

The following resolution was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, and Jackie Simon. Linda Croom opposed. Jeffrey Merkwowitz was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-002_{MA}

RE: Authorization to extend the Property Management Contract for Montgomery Arms

WHEREAS, Montgomery Arms Development Corporation owns the development known as Montgomery Arms located in Silver Spring, Maryland; and

WHEREAS, staff desires to extend the current property management contract at Montgomery Arms with Edgewood Management Corporation through December 31, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Montgomery Arms Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at Montgomery Arms with Edgewood Management Corporation through December 31, 2023.

BE IT FURTHER RESOLVED by the Board of Directors of Montgomery Arms Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:27 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

Adjourn

Paddington Square Development Corporation

PADDINGTON SQUARE DEVELOPMENT CORPORATION

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

Minutes

October 5, 2022

22-003

Chair Priest convened the meeting of the Paddington Square Development Corporation on October 5, 2022 at 5:27 p.m. via a hybrid platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jackie Simon

Absent

Jeffrey Merkowitz

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Zachary Marks
Marcus Ervin
Lynn Hayes
Nathan Bovelie
Bonnie Hodge
Terri Fowler
Jennifer Arrington
Alex Torton
Ian Hawkins

Kayrine Brown, Deputy Executive Director
Timothy Goetzinger
Fred Swan
Eugenia Pascual
Darcel Cox
Jay Shepherd
Nilou Razeghi
Paige Gentry
David Brody

Attending via Zoom

Paulette Dudley
John Broullire
Ellen Goff
Leidi Reyes
Matt Husman

IT Support

Aries "AJ" Cruz
Genio Etienne
Irma Rodriquez

Support to the Corporation

Patrice Birdsong, Special Assistant

Chair Priest called to order the meeting of the Paddington Square Development Corporation and opened the floor to Executive Director Andrews to request approval of the single item on the agenda.

A. Paddington Square Development Corporation: Authorization to Extend the Property Management Contract for Paddington Square Development Corporation

The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Vice Chair Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, and Jackie Simon. Linda Croom opposed. Jeffrey Merkwowitz was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-003_{PS}

RE: Authorization to extend the Property Management Contract for Paddington Square

WHEREAS, Paddington Square Development Corporation owns the development known as Paddington Square located in Silver Spring, Maryland; and

WHEREAS, staff desires to extend the current property management contract Paddington Square with Residential One through March 31, 2024.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Paddington Square Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at Paddington Square with Residential One through March 31, 2024.

BE IT FURTHER RESOLVED by the Board of Directors of Paddington Square Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:28 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

Adjourn

Pooks Hill Development Corporation

POOKS HILL DEVELOPMENT CORPORATION

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

Minutes

October 5, 2022

22-002

Chair Priest convened the meeting of the Pooks Hill Development Corporation on October 5, 2022 at 5:28 p.m. via a hybrid platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jackie Simon

Absent

Jeffrey Merkowitz

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Zachary Marks
Marcus Ervin
Lynn Hayes
Nathan Bovelie
Bonnie Hodge
Terri Fowler
Jennifer Arrington
Alex Torton
Ian Hawkins

Kayrine Brown, Deputy Executive Director
Timothy Goetzinger
Fred Swan
Eugenia Pascual
Darcel Cox
Jay Shepherd
Nilou Razeghi
Paige Gentry
David Brody

Attending via Zoom

Paulette Dudley
John Broullire
Ellen Goff
Leidi Reyes
Matt Husman

IT Support

Aries "AJ" Cruz
Genio Etienne
Irma Rodriquez

Support to the Corporation

Patrice Birdsong, Special Assistant

Chair Priest called to order the meeting of the Pooks Hill Development Corporation and opened the floor to Executive Director Andrews to request approval of the single item on the agenda.

A. Pooks Hill Development Corporation: Authorization to Extend the Property Management Contract for Paddington Square Development Corporation

The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Vice Chair Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, and Jackie Simon. Linda Croom opposed. Jeffrey Merkwowitz was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-002_{PH}

RE: Authorization to extend the Property Management Contract for Pooks Hill Tower

WHEREAS, Pooks Hill Development Corporation owns the development known as Pooks Hill Towers located in Bethesda, Maryland; and

WHEREAS, staff desires to extend the current property management contract at Pooks Hill Towers with Edgewood Management Corporation through September 1, 2023.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Pooks Hill Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an extension of the property management contact at Pooks Hill Towers with Edgewood Management Corporation through September 1, 2023.

BE IT FURTHER RESOLVED by the Board of Directors of Pooks Hill Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction contemplated herein, including the execution of any documents related thereto.

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:29 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

Adjourn

RAD 6 Development Corporation

RAD 6 DEVELOPMENT CORPORATION

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

Minutes

October 5, 2022

22-002

Chair Priest convened the meeting of the RAD 6 Development Corporation on October 5, 2022 at 5:29 p.m. via a hybrid platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Pamela Byrd
Linda Croom
Jackie Simon

Absent

Jeffrey Merkowitz

Also Attending

Chelsea Andrews, Executive Director
Aisha Memon, General Counsel
Zachary Marks
Marcus Ervin
Lynn Hayes
Nathan Bovelie
Bonnie Hodge
Terri Fowler
Jennifer Arrington
Alex Torton
Ian Hawkins

Kayrine Brown, Deputy Executive Director
Timothy Goetzinger
Fred Swan
Eugenia Pascual
Darcel Cox
Jay Shepherd
Nilou Razeghi
Paige Gentry
David Brody

Attending via Zoom

Paulette Dudley
John Broullire
Ellen Goff
Leidi Reyes
Matt Husman

IT Support

Aries "AJ" Cruz
Genio Etienne
Irma Rodriquez

Support to the Corporation

Patrice Birdsong, Special Assistant

Chair Priest called to order the meeting of the RAD 6 Development Corporation and opened the floor to Executive Director Andrews to request approval of the single item on the agenda.

A. RAD 6 Development Corporation: Authorization to Extend the Property Management Contract for Paddington Square Development Corporation

The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Vice Chair Kelleher. Affirmative votes were cast by Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, and Jackie Simon. Linda Croom opposed. Jeffrey Merkwowitz was necessarily absent and did not participate in the vote.

RESOLUTION NO.: 22-002_{RAD}

RE: Approval to Extend Property Management Contracts for RAD 6 Development Corporation

WHEREAS, the RAD 6 Development Corporation owns Ken Gar Apartments, Parkway Woods, Sandy Spring Meadow, Towne Centre Place, Seneca Ridge, and Washington Square (the “RAD 6 Properties”); and

WHEREAS, staff desires to extend the current property management contract at the RAD 6 Properties for eight (8) months with Edgewood Management Corporation.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the RAD 6 Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed to execute an eight (8) month extension of the property management contract for the RAD 6 Properties with Edgewood Management Corporation.

BE IT FURTHER RESOLVED by the Board of Directors of the RAD 6 Development Corporation that the Executive Director of the Housing Opportunities Commission of Montgomery County, or their designee, is hereby authorized and directed, without any further action on its part, to take any and all other actions necessary and proper to carry out the transactions contemplated herein.

Based upon this report and there being no further business to come before this open session the meeting adjourned at 5:29 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer

/pmb

Adjourn

Closing Statement

Written Statement for Closing a Meeting (“Closing Statement”)

Date: November 16, 2022

A. Pursuant to Section 3-305(b) and (d) of the General Provisions Article of the Annotated Code of Maryland, I move to adjourn this open session to a closed session only:

9. “To conduct collective bargaining negotiations or consider matters that relate to the negotiations.”

B. For each provision checked above, the topic to be discussed and the reason for discussing that topic in closed session is provided below.

Statutory Citation	Topic	Reason for closed-session discussion
§3-305(b)(9)	The status of ongoing negotiations with the union, including wages.	This meeting must be closed to the public to protect the confidentiality of the negotiations.

C. This statement is made by Roy Priest, Chair.

D. Recorded vote to close the meeting:

- Date: November 16, 2022 Time: _____ Location: Zoom (Livestream on YouTube)
- Motion to close meeting made by: _____
- Motion seconded by: _____
- Commissioners in favor: _____
- Commissioners opposed: _____
- Commissioners abstaining: _____
- Commissioners absent: _____

Officer’s Signature: _____

Adjourn

Closed Session