

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

May 4, 2016

16-05

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, May 4, 2016 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:10 p.m. Those in attendance were:

Present

Sally Roman, Chair
Jackie Simon, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Christopher Hatcher
Linda Croom
Pamela Byrd

Absent

Margaret McFarland

Also Attending

Stacy Spann, Executive Director
Kayrine Brown
Shauna Sorrells
Gina Smith
Bobbie DaCosta
Fred Swan
Patrick Mattingly
Lynn Hayes
Arthur Tirsky
Ian Williams
Jim Atwell
Gail Gunod-Green
Belle Seyoum
Ugonna Ibebuchi
Susan Smith
Gio Kaviladze
Mary Ellen Ewing

Kelly McLaughlin, General Counsel
Zachary Marks
Erin Bradley
Gail Willison
Paul Vinciguerra
Rita Harris
Ethan Cohen
Bonnie Hodge
Sheryl Hammond
Deidra Harris
Mei Li
Saundra Boujai
Jennifer Arrington
Wilson Choi
Brian Kim
Angela McIntosh
Jay Shepherd

Commission Support

Patrice Birdsong, Spec. Asst. to Comm.

IT Support

Dominique Laws

Guest

Laura Murray, Landlord

Chair Roman opened the meeting welcoming Pamela Byrd, newly appointed Commissioner to the Board of the Housing Opportunities Commission. The meeting began with approval of the Consent Calendar. The Consent Calendar was adopted with a motion made by Chair Pro Tem Nelson and seconded by Commissioner Hatcher. Affirmative votes were cast by Commissioners Roman, Nelson, Hatcher, Croom and Byrd. Vice Chair Simon abstained. Commissioner McFarland was necessarily absent and did not participate in the vote.

I. CONSENT ITEMS

- A. Approval of Revised Minutes of March 2, 2016** – The minutes were approved as submitted.
- B. Approval of Minutes of April 6, 2016** – The minutes were approved as submitted.

II. INFORMATION EXCHANGE

- A. Report of the Executive Director** – Stacy Spann, Executive Director, expressed his appreciation to the Commissioners and staff for taking care of things while he was away for the Casey training. During this period of the agenda Mr. Spann requested that the Development and Finance Committee – IV-A3, *“Approval to Increase the Investment in Victory Crossing to Complete the RAD Conversion of Senior Multifamily Properties and Authorization for the Executive Director to Execute a Revised Grant Agreement to Reflect the Increased Investment”* be removed from the current agenda for discussion. Discussion with Victory Crossings regarding the financing is ongoing.
- B. Calendar and Follow-up Action** – None
- C. Commissioner Exchange** – Commissioner Hatcher reported that he and a few of the Commissioners and staff attended the NAACP Freedom Fund Dinner on Sunday, May 1, 2016. He mentioned that it was a very nice event and that there was good representation from HOC. Erin Bradley, newly hired Community Partnership Manager, posted tweets during the event.

Mr. Spann introduced new employees, Erin Bradley, Community Partnership Manager with the Legislative and Public Affairs Office, and Arthur Tirsky, Chief Maintenance Officer.

Chair Roman announced that the Westbard Sector Plan was approved by the County Council on May 3, 2016. The Bethesda Plan will be coming up soon.

D. Resident Advisory Board (RAB) – None

E. Community Forum – Laura Murray, an HOC Landlord, addressed the Board complimenting the following staff that assisted her in resolving a landlord issue she was having: Bonnie Hodge, Lynn Hayes, Aisha Thompson, Charnita Robinson, Shala Rafiq, Tara Whicker, Gina Smith, Darcel Cox, and Stacy Spann.

F. Status Report – None

III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

1. Approval to Select and Add New Firms to Expand the Construction Management Pool Pursuant to RFP #1981

Zachary Marks, Asst. Director of New Development, was the presenter.

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

RESOLUTION: 16-25

RE: Approval to Select and Add New Firms to Expand the Construction Management Pool Pursuant to RFP #1981

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) continues to review its entire real estate portfolio and anticipates that it will continue to undertake rehabilitation and redevelopment of a significant portion of the properties it owns or will acquire and this will require operations support to augment its current staff; and

WHEREAS, to ensure efficient, effective, and timely execution of the Commission’s goal of providing safe, high quality, amenity rich, affordable housing, staff recommends the use of Construction Management professionals to continue to support management in the renovation process to provide pre-construction services as needed; and

WHEREAS, on May 7, 2014, the Commission approved the creation of a pool of construction management professionals consisting of four firms to provide such services but now only two firms are actively providing the intended services while the pipeline of rehabilitation and redevelopment projects continues to expand, placing greater demand for predevelopment

and construction oversight which cannot practically be provided within the HOC staffing complement; and

WHEREAS, to augment the current pool of construction management professionals consisting of four firms, staff issued a request for proposal (RFP) #1981 to qualify additional firms to the pool and as a consequence received five proposals; and

WHEREAS, four firms were determined to have submitted complete proposals and were evaluated based on the established qualification criteria including construction management qualifications, showing experience with similar project types, price (hourly rate), experience with government agencies and housing authorities, construction management approach and references; and

WHEREAS, applying the criteria described above, the two highest overall scores were received by CBP Constructors LLC and Hess Builders.

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

1. Authorizes the selection of CBP Constructors LLC and Hess Builders as qualified for inclusion in a single pool of Construction Management services firms, expanding the total in the pool to six qualified firms;
2. Authorizes the use of these firms for pre-development activities as well as construction managers on Commission-authorized development projects;
3. Authorizes an initial one-year term of each contract with optional renewals as may be permitted under the Commission's procurement policy.

2. Authorization for the Executive Director to Execute a Letter Agreement with the Maryland Department of Housing and Community Development ("DHCD") Outlining the Terms for Satisfaction of the Low Income Housing Tax Credit Extended Use Covenants for the Wheaton-University Boulevard Limited Partnership (the "Ambassador Apartment")

Kayrine Brown, Chief Investment and Real Estate Officer, and Zachary Marks, Asst. Director of New Development, were presenters.

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

RESOLUTION: 16-26

RE: Authorization for the Executive Director to Execute a Letter Agreement with the Maryland Department of Housing and Community Development (“DHCD”) Outlining the Terms for Satisfaction of the Low Income Housing Tax Credit Extended Use Covenants for the Wheaton-University Boulevard of Limited Partnership (the “Ambassador Apartment”)

WHEREAS, Ambassador Apartments (the “Property”) consists of 162 apartments that are 100% income restricted within the residential condominium components of a seven-story high rise, mixed-use condominium building located in Wheaton (the “Building”); and

WHEREAS, the Property is owned by Wheaton-University Boulevard Limited Partnership (“WUBLP”) and the retail condominium components of the Building are owned by Wheaton Commercial Center Associates Limited Partnership, an affiliate of Willco Development; and

WHEREAS, in December 1992, the WUBLP financed the renovation of the Property using Low Income Housing Tax Credits (LIHTC) and the use of that capital source came with a 15-year initial compliance period (“Initial Compliance Period”) and a subsequent 15-year extended compliance period (“Extended Compliance Period”) during which time the Property is to be operated as a moderate income housing project;

WHEREAS, in 2005, HOC Ambassador, Inc. (the “General Partner”), a corporation whose stock is wholly-owned by the Housing Opportunities Commission of Montgomery County (“HOC”), acquired the general partnership interest in WUBLP; and

WHEREAS, in June 2010, HOC approved a feasibility/predevelopment budget of up to \$75,000 to consider options for redevelopment of the Property and Building site; and

WHEREAS, in July 2010, after the expiration of the Property’s 15-year tax-credit compliance period, M&T Bank, the 99% limited partner in WUBLP, donated its interest in WUBLP to HOC; and

WHEREAS, the Property’s Initial Compliance Period expired in 2008, and the Extended Compliance Period ends in 2023; and

WHEREAS, over the past 18 months, the physical viability of the Property has been called into question through events of systems failure and a discovery of structural deficiencies which required the evacuation of the building and temporary relocation of residents; and

WHEREAS, on June 3, 2015, HOC approved a relocation plan aimed at relocating the remaining residents at the Property to housing that is safe and more appropriate; and

WHEREAS, given the need to relocate residents from the Property, HOC has worked with DHCD and DHCD's Community Development Administration ("CDA") to draft a letter of agreement ("Letter Agreement") that outlines an alternative means of satisfying the remaining period of the Extended Compliance Period; and

WHEREAS, in order to satisfy the Extended Use Covenant, the Letter Agreement requires (i) the restriction of approximately 100 units of the redeveloped Ambassador Property for a period equal to the sum of the number of months the 100 units remain vacant plus the seven years of the remaining Extended Compliance Period, and (ii) an immediate restriction of 62 units to be vacated at other HOC-controlled properties for a period equal to the remaining seven years of the Extended Compliance Period; and

WHEREAS, in addition to the LIHTC equity proceeds, the Property was also financed with State Rental Housing Production Program (RHPP) funds and is subject to an Equity Participation Agreement ("EPA") between the Partnership and DHCD which must also be satisfied; and

WHEREAS, the Letter Agreement requires the prepayment of the State's RHPP loan, which has a balance of \$210,360 as of May 1, 2016, and the payment of any amount that may be due under the EPA; and

WHEREAS, the Property's remaining replacement reserve fund, which had a current balance of \$714,000 as of March 31, 2016, has been identified as a source for the prepayment of the State RHPP loan and the payment of any amounts due under the EPA.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC Ambassador, Inc., acting for itself and for and on behalf of Wheaton-University Boulevard Limited Partnership, that the Executive Director is authorized to negotiate and execute a Letter Agreement with the Maryland Department of Housing and Community Development outlining the terms for satisfaction of the Low Income Housing Tax Credit Extended Use Covenants for the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC Ambassador, Inc., acting for itself and for and on behalf of Wheaton-University Boulevard Limited Partnership, that the Executive Director is authorized to use the balance in the Property's replacement reserve fund to prepay the State RHPP loan and make a payment towards any amounts that may be due under the Equity Participation Agreement.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and for and on behalf of HOC Ambassador, Inc., acting for itself and for and on behalf of Wheaton-University Boulevard Limited Partnership, that the Executive Director is authorized, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

IV. ITEMS REQUIRING DELIBERATION and/or ACTION

A. Authorization to Revise HOC's Administrative Plan for the Housing Choice Voucher Program to add the Required Provisions for the Rental Assistance Demonstration Program in Accordance with HUD Notice PIH-2012-32 (HA), REV-2

Ethan Cohen, Housing Program Coordinator, was the presenter.

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

RESOLUTION: 16-29

RE: Authorization to Revise HOC's Administrative Plan for the Housing Choice Voucher Program to Add the Required Provisions for the Rental Assistance Demonstration Program in Accordance with HUD Notice PIH-2012-32 (HA), REV-2

WHEREAS, the Housing Opportunities Commission of Montgomery County must and desires to revise and make new additions to its Administrative Plan for the Housing Choice Voucher Program to add the required provisions for the Rental Assistance Demonstration (RAD) Program to HOC's Administrative Plan, in accordance with HUD Notice PIH-2012-32 (HA), REV-2; and

WHEREAS, a public comment period for these proposed revisions began on April 5, 2016 and concluded on May 4, 2016 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves and authorizes revisions and new additions to its Administrative Plan for the Housing Choice Voucher Program to add the required provisions for the Rental Assistance Demonstration (RAD) Program to HOC's Administrative Plan, in accordance with HUD Notice PIH-2012-32 (HA), REV-2.

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

B. Authorization to Revise HOC's Administrative Plan for the Housing Choice Voucher Program to add Clarifying Language to HOC's Project Based Voucher Policies

Lynn Hayes, Director of Housing Resources, was the presenter.

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

RESOLUTION: 16-30

RE: Authorization to Revise HOC's Administrative Plan for the Housing Choice Voucher Program to Add Clarifying Language to HOC's Project-Based Voucher Policies

WHEREAS, the Housing Opportunities Commission of Montgomery County must and desires to revise and make new additions to its Administrative Plan for the Housing Choice Voucher Program to add clarifying language to HOC's Project-Based Voucher policies; and

WHEREAS, a public comment period for these proposed revisions began on April 5, 2016 and concluded on May 4, 2016 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves and authorizes revisions and new additions to its Administrative Plan for the Housing Choice Voucher Program to add clarifying language to HOC's Project-Based Voucher policies.

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

C. Authorization to Revise HOC's Administrative Plan for the Housing Choice Voucher Program to Provide Clarification on Providing Wait List Priority Consideration to Applicants Formerly on the Agency's Public Housing Wait List

Gina Smith, Chief Operating Officer, was the presenter.

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

RESOLUTION: 16-31

RE: Authorization to Revise HOC's Administrative Plan for the Housing Choice Voucher Program to Provide Clarification on Providing Wait List Priority

**Consideration to Applicants Formerly on
the Agency's Public Housing Waiting List**

WHEREAS, the Housing Opportunities Commission of Montgomery County must and desires to revise and make new additions to its Administrative Plan for the Housing Choice Voucher Program to add clarification on HOC's obligation to provide wait list priority consideration to applicants formerly on the Agency's public housing waiting list; and

WHEREAS, a public comment period for these proposed revisions began on April 5, 2016 and concluded on May 4, 2016 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves and authorizes revisions and new additions to its Administrative Plan for the Housing Choice Voucher Program to add clarification on HOC's obligation to provide wait list priority consideration to applicants formerly on the Agency's public housing waiting list.

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

Based upon this report and there being no further business to come before this session of the Commission, a motion was made to adjourn the meeting of the Housing Opportunities Commission at 4:45 p.m. to convene an Executive Session. According to Section 10-508(a) of the State Government Articles of the Annotated Code of the State of Maryland, the item relating to contract negotiation strategy and/or the contents of a bid or proposal *{pursuant to subsection (14)}*.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: 2016June17