

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

September 5, 2018

18-09

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, September 5, 2018 at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:00 p.m. Those in attendance were:

Present

Jackie Simon, Chair
Richard Y. Nelson, Jr., Vice Chair
Margaret McFarland
Pamela Byrd
Roy Priest
Linda Croom

Absent

Edgar Rodriguez, Chair Pro Tem

Also Attending

Stacy L. Spann, Executive Director
Patrick Mattingly
Christina Autin
Ellen Goff
Ethan Cohen
Hyunsuk Choi
Paul Vinciguerra
Zachary Marks
Marcus Ervin
Shauna Sorrells
Ariel Vallecillo
Cornelia Kent
Leidi Reyes

Aisha Memon, Acting General Council
Fred Swan
Victoria Dixon
Rita Harris
Terri Fowler
Terry Sidney
Ali Khademian
Ibrahima Fall
John Vass
Kayrine Brown
Jennifer Arrington
Sheryl Hammond

Resident Advisory Board

Yvonne Caughman

Commission Support

Patrice Birdsong, Spec. Asst. to Commission

IT Support

Rony Joseph
Karlos Taylor

Consent Calendar was adopted upon a motion by Vice Chair Nelson and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Simon, Nelson, McFarland, Byrd, and Priest. Commissioner Croom abstained. Commissioner Rodriguez was necessarily absent and did not participate in the vote.

I. CONSENT ITEMS

- A. Approval of Minutes of July 11, 2018 regular meeting** - The minutes were approved as submitted.
- B. Approval of Minutes of July 11, 2018 Administrative Session** – The minutes were approved as submitted.
- C. Approval of Minutes of August 14, 2018 Special Session** – The minutes were approved as submitted.
- D. Approval of Minutes of August 14, 2018 Administrative Session** – The minutes were approved as submitted.

II. INFORMATION EXCHANGE

- A.** Report of the Executive Director – Nothing additional to add to the written report. Mr. Spann acknowledge staff outstanding work on the Backpack Drive.
- B.** Commissioner Exchange – Com. Priest attended National Nightout
 - Chair Simon gave an update on Westbard
- C.** Community Forum: Bill Cook, Carol Ehrlick, and Lynn Pekkanen address the Board regarding the African American Cemetery/Westbard.

III. ADMINISTRATIVE AND SPECIAL SESSION RATIFICATIONS

- A. Ratification of Action Taken in Administrative Session on July 11, 2018: Authorization to Complete the Acquisition of the 880 Bonifant Street Site and Approval of the Final Development Plan**

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

RESOLUTION NO.: 18-58R

RE: Authorization to Complete the Acquisition of the 880 Bonifant Street Site and Approval of the Final Development Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly created, organized and existing under the laws of the State of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, to carry out and effectuate the purpose of providing affordable housing including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, to effectively carry out its business of delivering affordable housing to persons of eligible income, the Commission requires appropriate office space from which to conduct business; and

WHEREAS, at an Administrative Session duly called and held on July 11, 2018, with a quorum present, the Commission duly adopted Resolution 18-58AS, Commissioners McFarland, Priest, and Byrd voting in approval, which authorized the Executive Director to execute and complete of the acquisition of all real property located at 880 Bonifant Street in Silver Spring, Maryland, and approved the final development plan. Commissioner Nelson voted no, Commissioner Simon abstained, and Commissioners Rodriguez and Croom were necessarily absent and did not participate in the vote.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-58R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

B. Ratification of Action Taken in Administrative Session on July 11, 2018: Approval for the Commission to Accept a County Loan for Cider Mill Apartments and Issue a Loan to MV Gateway LLC in the Amount of the County Loan; and Approval for MV Gateway LLC to Accept a Commission Loan in the Amount of the County Loan and Accept a Mezzanine Loan to Complete the Financing

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

RESOLUTION NO.: 18-59R

RE: Approval for the Commission to Accept a County Loan for Cider Mill Apartments and Issue a Loan to MV Gateway LLC in the Amount of the County Loan; and Approval for MV Gateway LLC to Accept a Commission Loan in the Amount of the County Loan and to accept a Mezzanine Loan to Complete the Financing

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), 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, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of multifamily rental housing properties for persons of eligible income which provide a public purpose; and

WHEREAS, at an Administrative Session duly called and held on July 11, 2018, with a quorum present, the Commission duly adopted Resolution 18-59AS, Commissioners Simon, Nelson, McFarland, Byrd, and Priest voting in approval, which approved the Commission’s acceptance of a County loan and the issuance of a financing commitment in the amount of the County loan to MV Gateway LLC (“MV Gateway”); and, acting in its own capacity and as the sole member of MV Gateway, approved the acceptance by MV Gateway of both a Commission loan in the amount of the

County loan and a mezzanine loan for the permanent financing of Cider Mill Apartments. Commissioners Rodriguez and Croom were necessarily absent and did not participate in the vote.

WHEREAS, consistent with the Commission's Amended and Restated Bylaws, the Commission wishes to ratify and affirm, in an open meeting with a quorum physically present, the action undertaken by the Commission in adopting Resolution 18-59R and any action taken since July 11, 2018 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 18-59R and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

C. Ratification of Action Taken in Administrative Session on August 14, 2018: Authorization for the Executive Director to Negotiate and Execute a Purchase and Sale Agreement for the Acquisition of Real Property and Approval of Predevelopment Funding and the Formation of an Ownership Entity

The Resolution was removed no action taken.

IV. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

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

1. Authorization to Submit County FY 20-25 Capital Improvement Program (CIP) Budget

Cornelia Kent, Chief Financial Officer, and Terri Fowler, Budget Officer, were the presenters.

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

RESOLUTION NO.: 18-62

**RE: Authorization to Submit County
FY'20-25 Capital Improvements
Program (CIP) Budget**

WHEREAS, the Housing Opportunities Commission of Montgomery County, Maryland ("HOC"), a public body corporate and politic duly created, organized and existing under the laws of the State of Maryland, is authorized pursuant to the Housing Authorities Law, organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, to carry out and effectuate the purpose of providing affordable housing including providing for the construction and rehabilitation of rental housing properties which provide a public purpose; and

WHEREAS, the Capital Improvements Program (CIP) is a program administered by Montgomery County that provides funds for larger long- term investments in facilities & infrastructure, and affordable housing; and

WHEREAS, HOC receives funds from the CIP to further its purpose in providing affordable housing; and

WHEREAS, the County is considering amendments to the Capital Improvement Plan (CIP) Budget for FY'20-25 (the "Budget"), and requests are due to the Office of Management and Budget by September 11, 2018; and

WHEREAS, HOC has reviewed and desires to submit a request to the County that the Budget (i) continues to fund our current Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements at the \$1,250,000 annual level and, (ii) maintains the current \$1,900,000 funding for the demolition of the Ambassador Apartments and Emory Grove Apartments.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, that it authorizes the submission to the County of a request that the Capital Improvements Program (CIP) Budget for FY'20-25 continue to fund the current Supplemental Funds for Deeply Subsidized HOC Owned Units Improvements at the \$1,250,000 annual level, and maintains the current \$1,900,000 funding for the demolition of the Ambassador Apartments and Emory Grove Apartments.

2. Authorization to Add the Chief Operating Officer as a Fourth Signer to HOC's Bank Accounts

Cornelia Kent, Chief Financial Officer, was the presenter.

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

RESOLUTION NO.: 18-63

RE: Authorization to add the Chief Operating Officer as a Fourth Signer to HOC's Bank Accounts

WHEREAS, the Housing Opportunities Commission of Montgomery County, Maryland ("HOC") has several bank accounts with various banking institutions (the "Accounts"); and

WHEREAS, HOC's Accounts currently have three (3) authorized signatories; the Executive Director, the Chief Financial Officer, and the Chief Investment and Real Estate Officer; and

WHEREAS, a fourth (4) authorized signer should be added to the Accounts in order to ensure an authorized signer is always available; and

WHEREAS, the fourth (4) authorized signer shall be limited to members of the Executive Staff; and

WHEREAS, the Chief Operating Officer is a member of the Executive Staff; and

WHEREAS, the Accounts shall have a maximum of four (4) authorized signers at any point in time.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to add the Chief Operating Officer as an authorized signer to the Accounts, provided that the Accounts shall have a maximum number of four authorized signers at any point in time, all of whom shall be members of the Executive Staff.

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

1. Approval to Select a Pool of General Contractors for Renovations and Unit Turns of Various Scattered Site Properties in Accordance with Request for Qualifications (“RFQ”) #2110

Zachary Marks, Director of Development, and Sheryl Hammond, Planner, were the presenters.

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

RESOLUTION NO.: 18-64

RE: Approval to Select a Pool of General Contractors for Renovations and Unit Turns of Various Scattered Site Properties in Accordance with RFQ 2110.

WHEREAS, in furtherance of its mission to provide affordable housing and supportive services that enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland to ensure that no one in Montgomery County is living in substandard housing, the Housing Opportunities Commission of Montgomery County, Maryland (“HOC” or the “Commission”) has begun a renovation program for its scattered site units (“Scattered Sites”); and

WHEREAS, HOC owns and operates approximately 1,600 Scattered Sites throughout Montgomery County, of which approximately 900 units have not had significant updates nor undergone renovation since acquisition and now require differing level of rehabilitation, including full unit renovation (“Unit Renovations”); and

WHEREAS, all Scattered Sites in the portfolio will require some level of renovation upon tenant turnover to prepare the unit for new leases (“Unit Turns”), but such renovation is not expected to be comprehensive nor be completed at the level anticipated for Unit Renovations; and

WHEREAS, to meet the comprehensive Unit Renovations and the ongoing Unit Turns maintenance needs of the Scattered Sites, staff proposed creating a pool of General Contractors to perform required construction services, and as a consequence issued Request for Qualifications No. 2110 (the “RFQ”) on April 23, 2018, soliciting proposals from General Contractors interested in providing these services on an as-needed basis; and

WHEREAS, proposals were timely received from 19 firms and evaluated with numerical points allocated as outlined in the RFQ for Management Skills (50%), Renovation Experience (30%), and Historical Operations (20%); and

WHEREAS, applying the criteria described above to the Unit Renovations submissions, the following 12 firms received a score of 50 or higher: CBP Constructors, LLC; Colossal Contractors, Inc.; Consolidated Commercial Services, LLC; D&A Contractors, Inc.; Earn Contractors, Inc.; FLB Construction, LLC; OMF Contractors, Inc.; Sago Building Management, LLC; SNG Engineering, Inc.; Tito Contractors, Inc.; TNC Implementation Group, LLC; and Visionary Construction Consultants; and

WHEREAS, applying the criteria described above to the Unit Turns submissions, the following 13 firms received a score of 50 or higher: CBP Constructors, LLC; Colossal Contractors, Inc.; D.R.S. Remodeling General Contractor, LLC; Earn Contractors, Inc.; FLB Construction, LLC; J B Antar Improvements, LLC; OMF Contractors, Inc.; Sago Building Management, LLC; SNG Engineering, Inc.; Tito Contractors, Inc.; TNC Implementation Group, LLC; Toossi & Associates, Inc.; and Visionary Construction Consultants;

WHEREAS, contractors accepted into the Unit Turns pool may submit the required documents for consideration for the Unit Renovations pool and upon scoring 50 or above using the criteria previously described and outlined in the RFQ, and with the approval of the Executive Director, may be added to the Unit Renovations pool;

WHEREAS, staff will then solicit bids from contractors within the appropriate pool based on the following criteria: pricing; project schedule; firm's capacity and staff availability; prior experience with HOC, with preference given to contractors without prior experience with HOC; prior experience with Section 3; and certification(s) for MWE/MBE/DBE/SBE acceptable to the Commission;

WHEREAS, initial funding for Unit Renovations will be from the Montgomery County Capital Improvement Program for deeply subsidized units (CIP #P091501), which currently has \$3,265,000 in available funds from prior appropriations, and if future annual appropriation of approximately \$1,250,000 is funded during the Montgomery County budget preparation, the available funds will increase accordingly; and

WHEREAS, funding for the Unit Turns will be from the respective property's current and future Commission-approved capital and operating budgets.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: CBP Constructors, LLC; Colossal Contractors, Inc.; Consolidated Commercial Services, LLC; D&A Contractors, Inc.; Earn Contractors, Inc.; FLB Construction, LLC; OMF Contractors, Inc.; Sago Building Management, LLC; SNG Engineering, Inc.; Tito Contractors, Inc.; TNC Implementation Group, LLC; and Visionary Construction Consultants to create a pool of General Contractors to provide Unit Renovations services as-needed for annual zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED, that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to negotiate and execute contracts with: CBP Constructors, LLC; Colossal Contractors, Inc.; D.R.S. Remodeling General Contractor, LLC; Earn Contractors, Inc.; FLB Construction, LLC; J B Antar Improvements, LLC; OMF Contractors, Inc.; Sago Building Management, LLC; SNG Engineering, Inc.; Tito Contractors, Inc.; TNC Implementation Group, LLC; Toossi & Associates, Inc.; and Visionary Construction Consultants; to create a pool of General Contractors to provide Unit Turns services as-needed for annual

zero-dollar contracts, and that such contracts shall be for an initial two-year term with three optional one year renewals for a maximum term of five years.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to include respondents from the Unit Turns pool who have demonstrated successful Unit Turns performance, submitted the required documents as outlined in the RFQ, and scored 50 points or higher into the Unit Renovations pool.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes staff to solicit bids from contractors within the appropriate pool based on the following criteria: pricing; project schedule; firm's capacity and staff availability; prior experience with HOC, with preference given to contractors without prior experience with HOC; prior experience with Section 3; and certification(s) for MWE/MBE/DBE/SBE acceptable to the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves initial funding for Unit Renovations in the aggregate amount \$3,265,000 from prior years appropriations of Montgomery County Capital Improvement Program ("CIP") funds, plus any future annual appropriation; and approves the funding of Unit Turns contracts from current and future Commission-approved capital and operating budgets for each property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that if a General Contractor's proposed aggregate scope of work for Unit Renovations exceeds the Executive Director's \$250,000 authorization limit, and the units have no previously approved funding, and the renovations cannot be funded with CIP funds, staff must return to the Commission for approval prior to awarding a contract.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

C. Legislative and Regulatory Committee – Com. Byrd, Chair

1. Revision of HOC's Administrative Plan for the Housing Choice Voucher Program to Add Wait List Related Changes to the Plan

Ethan Cohen, Housing Programs Coordinator, was the presenter.

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

RESOLUTION NO.: 18-66

RE: Revision of HOC's Administrative Plan for the Housing Choice Voucher Program to Add Wait List Related Changes to the Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County (Commission) desires to revise its Administrative Plan for the Housing Choice Voucher Program to add wait list related changes to the Plan; and

WHEREAS, a public comment period for this revision to HOC's Administrative Plan for the Housing Choice Voucher Program to add wait list related changes to the Plan began on June 11, 2018 and concluded on September 5, 2018 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County to adopt provisions for wait list related changes to the Plan, as identified in the revised Plan attached hereto as Exhibit A;

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 incorporate the revisions adopted hereby into the HOC Administrative Plan for the Housing Choice Voucher program and make the wait list related changes to the Plan as contemplated herein.

2. Revision of HOC's Administrative Plan for the Housing Choice Voucher Program to Add Wait List Related Changes to the Plan

Ethan Cohen, Housing Programs Coordinator, was the presenter.

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

RESOLUTION NO.: 18-67

RE: Revision of HOC's Administrative Plan for the Housing Choice Voucher Program to Add Additional Choice Mobility Language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) Customers in Accordance with HUD Notice PIH-2012-32 (HA), REV-2

WHEREAS, the Housing Opportunities Commission of Montgomery County (Commission) desires to revise its Administrative Plan for the Housing Choice Voucher Program to add additional Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2; and

WHEREAS, a public comment period for this revision to HOC's Administrative Plan for the Housing Choice Voucher Program to add additional Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2 began on June 11, 2018 and concluded on September 5, 2018 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County to adopt provisions for additional Choice Mobility language and a RAD Turnover Cap for Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) customers in accordance with HUD Notice PIH-2012-32 (HA), REV-2, as identified in the revised Plan attached hereto as Exhibit A;

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 incorporate the revisions adopted hereby into the HOC Administrative Plan for the Housing Choice Voucher program and make the Choice Mobility and RAD Turnover Cap changes to the Plan as contemplated herein.

V. **NEW BUSINESS**

1. Approval of Morgan G. Smith to the Board of Directors of The Housing Opportunities Community Partners, Inc.

John Vass, Grants Coordinator, was the presenter.

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

RESOLUTION NO.: 18-71

RE: Approval of the Appointment of Morgan G. Smith to the Board Directors of Housing Opportunities Community Partners, Inc.

WHEREAS, the Housing Opportunities Commission of Montgomery County ("Commission") approved the creation of the non-profit, Housing Opportunities Community Partners, Inc. ("Community Partners"), in 1999 to support the residents and programs of the Commission; and

WHEREAS, the Board of Community Partners has recommended the appointment of Morgan G. Smith to the Community Partners Board; and

WHEREAS, the Commission is required, by the Community Partners' by-laws, to approve nominees to the Board of Directors of Community Partners.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Morgan G. Smith is hereby approved and appointed to serve a three-year term on the Board of Directors of Housing Opportunities Community Partners, Inc.

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

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

The open session adjourned at 5:20 p.m.

Respectfully submitted,

Stacy L. Spann
Secretary-Treasurer

/pmb

Approved: October 3, 2018