

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

November 15, 2023

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform (with some participating in-person and some participating online/via teleconference) on Wednesday, November 15, 2023 with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:09 p.m. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Jeffrey Merkowitz, Chair Pro Tem
Linda Croom, Commissioner
Richard Nelson, Commissioner
Robin Salomon, Commissioner

Absent

Pamela Byrd, Commissioner

Also Attending

Chelsea Andrews, President/Executive Director
Kayrine Brown, Senior Executive Vice President
Kathryn Hollister
Monte Stanford
Victoria Dixon
Alex Laurens
John Brouillire
Davida Blackman-Rowley
Elaine Cole
Richard Congo

Aisha Memon, Senior Vice President, Legal Affairs
John Wilhoit
Meta Lim
Lynn Hayes
Ken Silverman
Ali Ozair
Paul Vinciguerra
Demarcus Hubbard
Tim Goetzinger
Pat Mattingly

Attending Via Zoom

Matt Husman
Sean Asberry

Kai Hsieh
Eugenia Pascal

IT Support

Irma Rodriguez
Aries "AJ" Cruz

Development Corporation Support

Jocelyn Koon, Senior Executive Assistant
Morgan Tucker, Assistant

Chair Priest opened the meeting with the introduction of the Commission.

I. Information Exchange

Community Forum

- There were no speakers to address the Board.

Executive Director's Report

- Chelsea Andrews, President/ Executive Director provided a presentation of the written report.
- Ms. Andrews also shared updates regarding HOC activities and spotlights for the month of October 2023.
- Ken Silverman, Vice President of Legislative Affairs provided a Legislative update.

Commissioner Exchange

- Commissioner Merkowitz inquired about the status of reports from the Resident Advisory Board. President Andrews highlighted the Resident Advisory Board were recently sworn in and she will come back to the Commission with a recommendation.
- Commissioner Nelson asked if there were any vacancies in the Resident Advisory Board. President Andrews mentioned there was one vacancy in the PBR special program.
- President Andrews highlighted that Commissioner Croom will serve as the Resident Advisory Board Liaison and mentioned the HOC Staff liaisons are Davida Rowley-Blackman, Vice President of Resident Services and Rita Harris, Special Assistant.

- II. Approval of Minutes** – The minutes were approved as submitted with a motion by Commissioner Croom and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Priest, Merkowitz, Nelson, Kelleher, Croom, and Salomon. Commissioner Byrd was necessarily absent and did not participate in the vote.

- A. Approval of Minutes of October 4, 2023**
- B. Approval of Minutes of September 28, Special Session**
- C. Approval of Minutes of September 28, Closed Session**
- D. Approval of Minutes of October 26, 2023, Special Session**
- E. Approval of Minutes of November 1, 2023, Special Session**

III. Consent

Chair Priest introduced the following consent items:

- A. Westwood Tower: Approval of Additional Funding for the Continuation of Litigation Services**
- B. Single Family Lending: Approval of a New Participating Lender for the Single Family Mortgage Program**

Commissioner Kelleher made a motion to adopt resolution 23-62 and 23-63 (the Westwood Tower and Single Family Lending items, respectively). Commissioner Croom seconded. Affirmative votes were cast by Priest, Kelleher, Croom, Merkowitz, Nelson and Salomon. Commissioner Byrd was necessarily absent and did not participate in the vote.

III. Committee Reports and Recommendations for Action

A. Administrative & Regulatory Committee- Com. Kelleher, Chair

1. Authorization to Administer 42 Incremental Vouchers and to Create a Targeted Selection for 42 Homeless Individuals of Families.

Chair Kelleher introduced President, Chelsea Andrews, who provided an overview and introduced Vice President of Housing Resources, Lynn Hayes, to provide the detailed presentation. Staff recommended that HOC accept staff's recommendation to adopt a new incremental Voucher Policy and authorize the President/ Executive Director to implement the revision to Chapter 4, subpart I of HOC's Administrative Plan for the Housing Choice Voucher Program. The motion was made by Commissioner Kelleher to adopt resolution 23-64. Commissioner Croom seconded the motion. Affirmative votes were cast by Chair Priest, Commissioners Merkowitz, Nelson, Kelleher, Salomon, and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

B. Budget, Finance, and Audit Committee - Com. Nelson, Chair

1. Calendar Year 2024 (Cy'24) Portfolio Budgets: Approval of the CY'24 Portfolio Budgets

Chair Nelson introduced President, Chelsea Andrews, who provided an overview and introduced Timothy Goetzinger, Chief Financial Officer, and Ali Ozair, Vice President of Property Management, to provide the detailed presentation. Staff recommended that the Commission approve the CY'24 Portfolio Budgets. The motion was made by Commissioner Nelson to adopt resolution 23-65. Commissioner Kelleher seconded the motion. Affirmative votes were cast by Chair Priest, Commissioners Merkowitz, Nelson, Kelleher, Salomon, and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

2. Fiscal Year 2025 (FY'25) County Operating Budget: Authorization to Submit the FY'25 County Operating Budget

Chair Nelson introduced President Andrews, who provided an overview of the item. President Andrews introduced Timothy Goetzinger, Chief Financial Officer, as the presenter. Staff recommended that the full Commission authorize the submission of the proposed FY'25 County Operating Budget of \$7,972,501 to Montgomery County's Office of Management and Budget. The

motion was made by Commissioner Nelson to adopt resolution 23-66. Commissioner Merkowitz seconded the motion. Affirmative votes were cast by Chair Priest, Commissioners Croom, Nelson, Merkowitz, Salomon, and Kelleher. Commissioner Byrd was necessarily absent and did not participate in the vote.

3. Alternate MPDU Placement: Approval to Accept Payment for Alternate Placement of Required MPDUs and Provision of Corresponding MPDU's at HOC Properties

Chair Nelson introduced President Andrews, who provided an overview of the item. President Andrews introduced Zachary Marks, Chief Real Estate Officer, who provided the full presentation. Staff recommended that the Commission join approve the acceptance of payment for alternative placement of required MPDU's for the Pinnacle and Corso Chevy Chase developments and provision of corresponding MPDUs at HOC Properties. After deliberation, the motion was made by Commissioner Nelson to adopt resolution 23-67. Commissioner Croom seconded the motion. Affirmative votes were cast by Chair Priest, Commissioners Croom, Nelson, Merkowitz, Salomon, and Kelleher. Commissioner Byrd was necessarily absent and did not participate in the vote.

4. Property Management Procurement: Approval to Select Management Companies to Provide Property Management Services for Several; HOC Properties in Accordance with Requests for Proposal

Chair Nelson introduced President Andrews, who provided an overview of the item. President Andrews introduced Ali Ozair, Director of Property Management, and Alex Torton, Regional Manager, as the presenters. Staff recommended that the Commission authorize the President/ Executive Director to execute the property management service contracts with the identified management companies for Alexander House LP, Arcola Towers, Bauer Park, CCL Multifamily LLC, Cider Mill Apartments, Forest Oak Towers, Georgian Court, Greenhills Apartments, MetroPointe LP, Metropolitan LP, Stewartown Homes, Strathmore Court LP, Waverly House and Avondale, Westwood Towers and The Willow Manor Properties. The motion was made by Commissioner Nelson to adopt resolution 23-68. Commissioner Merkowitz seconded the motion. Affirmative votes were cast by Chair Priest, Commissioners Croom, Nelson, Merkowitz, Salomon, and Kelleher. Commissioner Byrd was necessarily absent and did not participate in the vote.

5. Procurement of Property Management Services: Approval to Select Property Management Companies to Provide Services to Battery Lane and Bradley Crossing Pursuant to RFP#2410 and #2411 and Approval to Extend Current Management Agreements

Chair Nelson introduced President Andrews, who provided an overview of the item. President Andrews introduced Ali Ozair, Director of Property Management, and Alex Torton, Regional Manager, as the Presenters as the presenters. Staff recommended that the Commission authorize the President/Executive Director to execute the property management services contracts with Residential One, LLC for Battery Lane and Bradley Crossing. Staff also

recommended that the Commission approve the extension of the management agreement with Aldon management for one month through 12/31/2023 for Battery Lane and Bradley Crossing. The motion was made by Commissioner Nelson to adopt resolutions 23-69 and 23-70. Commissioner Merkowitz seconded the motion. Affirmative votes were cast by Chair Priest, Commissioners Croom, Nelson, Merkowitz, Salomon, and Kelleher. Commissioner Byrd was necessarily absent and did not participate in the vote.

C. Development and Finance Committee, Chair Merkowitz

1. Procurement: Approval to Create a Pool of Architects and Accessibility Consultants Pursuant to Request for Qualifications Pursuant to RFQ #2383

Chair Merkowitz introduced President Andrews, who provided an overview of the item. President Andrews introduced Zachary Marks, Chief Real Estate Officer, and Paul Vinciguerra, Construction Manager who provided the full presentation. Staff requested that the Commission approve the following:

1. Select the following architectural firms to create a pool of 14 architects and accessibility consultants:

Firm Name	Firm Name	Firm Name
Axis Architects	Design Collective	Moya Design
Bennett Frank McCarthy Architects, Inc.	Karl Riedel Architecture, P.C.	Sorg & Associates
BKV Group	KGD Architecture	Torti Gallas and Partners
Collimore Architects	Miner Feinstein Architects, LLC	Zavos Architecture and Design, LLC
Cunningham Quill Architects	Moseley Architects	

2. Approve the ability to retain an architect from this pool for all phases of a transaction under the same terms of the pool contract to maintain continuity and provide for more timely completion of tasks.
3. Authorize the Executive Director to execute zero-dollar contracts with each member of the pool for an annual aggregate cap of \$2,500,000.

The motion was made by Commissioner Merkowitz to adopt resolution 23-71. Commissioner Nelson seconded the motion. Affirmative votes were cast by Chair Priest, Commissioner Merkowitz, Kelleher, Nelson, Salomon, and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

2. Procurement: Approval to Create a Pool of Real Estate Development & Finance Consulting Pool Pursuant to RFQ #2386

Chair Merkowitz introduced President Andrews, who provided an overview of the item to be discussed. President Andrews introduced Zachary Marks, Chief Real Estate Officer, and Alex Laurens, Housing Acquisition Manager, who provided the presentation. Staff recommended that the Commission approve the formation of a pool of development and financing consultants consisting of twenty- two (22) firms selected from the respondents to RFP#1386. Staff addressed questions from the Commission. The motion was made by Commissioner Merkowitz to adopt resolution 23-72. Commissioner Kelleher seconded the motion. Affirmative votes were cast by Chair Priest, Commissioner Merkowitz, Kelleher, Nelson, Salomon, and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

3. Procurement: Approval to Select and Execute a Contract with Community Investment and Remodelers INC. as General Contract for Various Scattered Site Properties Pursuant to invitation to RFQ#2424

Chair Merkowitz introduced President Andrews, who provided an overview of the item to be discussed. President Andrews introduced Paul Vinciguerra, Construction Manager, who provided the presentation. Staff recommended that the Commission:

1. Select Community Investment and Remodelers Inc. as the general contractor for the renovation of ten (10) scattered sites pursuant to IFB #2424;
2. Authorize the President/Executive Director to negotiate execute a contract with Community Investment and Remodelers Inc. for \$1,4000.00

The motion was made by Commissioner Merkowitz to adopt resolution 23-73. Commissioner Croom seconded the motion. Affirmative votes were cast by Chair Priest, Commissioner Merkowitz, Kelleher, Nelson, Salomon, and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

4. MetroPointe: Approval to Fund Deferred Development Fee to Bozutto from the Opportunity Housing Reserve Fund

Chair Merkowitz introduced President Andrews, who provided an overview of the item to be discussed. President Andrews introduced Zachary Marks, Chief Real Estate Officer, and John Wilhoit, Director of Asset Management, who provided the presentation. Staff recommended that the Commission authorize the payment of the \$750,000 in deferred development fee due to Bozutto per the MetroPointe Development Agreement and to fund the payment with the Opportunity Housing Reserve Fund. The motion was made by Commissioner Merkowitz to adopt resolution 23-74. Commissioner Kelleher seconded the motion. Affirmative votes were cast by Chair Priest, Commissioner Merkowitz, Kelleher, Nelson, Salomon, and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

5. Hillandale Gateway: Approval of the Financing Plan, Feasibility and Public Purpose; Authorization to issue Loans to Hillandale Gateway, LLC, HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC for Acquisition and Construction Financing Authorization to Issue a Commitment for Permanent Financing; and Authorization for the Borrowers to Accept Loans in Accordance with the Finance Plan

Chair Merkowitz introduced President Andrews, who provided an overview of the item to be discussed. President Andrews introduced Monte Stanford, Vice President of Mortgage Finance, and Victoria Dixon, Sr. Multifamily Underwriter, who provided the presentation. Staff recommended the Commission to approve the following actions:

1. Approval of the Financing Plan for the Hillandale NAR building totaling approximately \$214.6 million.
2. Approval of the feasibility and public purpose of the NAR Building for the allocation of up to \$30,000,000 in volume cap for the transaction, as subject to available volume cap.
3. Approval for HOC to enter into a guaranty of completion.
4. Authorization for HOC to issue Financing Commitments for the NAR Risk Share Permanent Loan.
5. Approval for HOC to provide credit enhancement for the NAR Risk Share Permanent Loan via FHA Risk Share Mortgage Insurance.
6. Approval for the President/Executive Director to enter into one or more interest rate hedges with qualified counter parties on an immediate and/or forward starting basis to manage interest rate risk.
7. Approval to increase the HOC proceeds of the Opportunity Housing Reserve Fund to the borrower(s) from \$6 million up to \$13.3 million.
8. Approval to negotiate and for HOC at Hillandale NAR, LLC to accept a subordinate loan from the County Green Bank.
9. Approval for the NAR Borrower and HOC, as appropriate to negotiate, make, and accept conduit loans made from the proceeds of the Citi NAR Construction Loans, the NAR Risk Share Permanent Loan, Bridge Loan, HOC Loans and various other subordinate loans as described herein.

Staff also recommended the Commission approve the following actions:

1. Approval of the Financing Plan for the Hillandale AR Building totaling approximately \$109.3 million.
2. Approval of the feasibility and public purpose for the AR Building with the allocation of up to \$47,000,000 in volume cap for the transaction, as subject to available volume cap.
3. Approval for the AR Borrower and HOC, as appropriate, to negotiate and accept the Wells AR Construction Loan in an amount up to \$47,000,000, with HOC acting as conduit lender.

4. Approval for HOC to enter into a guaranty of completion.
5. Approval for HOC to negotiate and accept a forward-lock agreement for the permanent Citi AR Funding Loan and the Citi AR Borrower Loan.
6. Approval for the President/ Executive Director to enter into one or more interest rate hedge agreements with qualified counter parties to manage variable interest rate risk.
7. Approval to increase the HOC Loan from proceeds of the Opportunity Housing Reserve Fund to the borrower from \$6 million to \$15 million.
8. Approval for the Borrower to accept the proposed Wells AR Construction Loan, Citi AR Borrower Loan, HOC Loan, and County Loans.

The motion was made by Commissioner Merkowitz to adopt resolution 23-75a and 23-75b. Commissioner Croom seconded the motion. Affirmative votes were cast by Chair Priest, Commissioner Merkowitz, Kelleher, Nelson, Salomon, and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

D. Items Requiring Deliberation and/or Action

1. Agency Audit: Acceptance of HOC Fiscal Year 2023 Audited Financial Statements and Single Audit Report

Chair Priest introduced President Andrews to provide an overview. President Andrews introduced Timothy Goetzinger, Chief Financial Officer, to provide the presentation. The motion was made by Commissioner Nelson to adopt resolution 23-76. Commissioner Croom seconded the motion. Affirmative votes were cast by Chair Priest, Commissioner Merkowitz, Kelleher, Nelson, Salomon, and Croom. Commissioner Byrd was necessarily absent and did not participate in the vote.

The meeting went into recess at 6:21 p.m. and reconvened at 6:32 p.m.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Commissioner Croom seconded the motion, with Commissioners Priest, Kelleher, Nelson, Merkowitz, Salomon, and Croom voting in approval. Commissioner Byrd 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 adjourned the open session at 6:35 p.m., and reconvened in closed session at 6:36 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 November 15, 2023 at approximately 6:36 p.m. via a hybrid model (with some participating in-person and others participating online/via teleconference) with moderator functions occurring at 10400 Detrick

Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(1) and 3-305(b)(13) to discuss a personnel matter regarding an HOC employee (pursuant to Section 3-305(b)(1)) and confidential commercial and financial information related to accepting a temporary expansion to a line of credit from PNC Bank N.A. (pursuant to Section 3-305(b)(13)).

The meeting was closed and the closing statement dated November 15, 2023 was adopted on a motion made by Chair Priest, seconded by Commissioner Croom, with Commissioners Priest, Kelleher, Nelson, Merkowitz, Salomon, and Croom voting in favor of the motion. Commissioner Byrd was necessarily absent and did not participate in the vote. The following persons were present: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jeffery Merkowitz, Robin Salomon, Linda Croom, Aisha Memon, Chelsea Andrews, Kayrine Brown, Zachary Marks, and Morgan Tucker.

In closed session, the Commission discussed the below topics and took the following actions:

1. **Topic:** Discussion of a personnel matter regarding an HOC employee (pursuant to Section 3-305(b)(1)).
 - a. **Action Taken:** The Chair recommended that this item be discussed at a future meeting. No action taken.
2. **Topic:** Confidential commercial and financial information related to accepting a temporary expansion to a line of credit from PNC Bank, N.A. (pursuant to Section 3-305(b)(13)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Merkowitz, Salomon, and Croom approved Resolution 23-77, which authorized a temporary expansion to a PNC Bank, N.A. line of credit.

The closed session was adjourned at 6:55 p.m.

Respectfully submitted,

Chelsea Andrews,
Secretary-Treasurer