

5:50 p.m. Page 76	5. Westside Shady Grove: Approval of Naming of Westside Shady Grove in Accordance with HOC Naming Guidelines	22-36 (pg. 84)
6:00 p.m.	<u>RECESS</u>	
6:05 p.m.	<u>DEVELOPMENT CORPORATION MEETING</u>	
Page 88	<u>Metropolitan Development Corporation</u> 1. The Metropolitan: Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments	22-002 _{ME} (pg. 94)
6:10 p.m.	<u>ADJOURN</u>	
6:15 p.m.	<u>RECONVENE HOC MEETING</u>	
Page 98	<u>CLOSING STATEMENT</u> • Vote to close meeting	
6:20 p.m.	<u>ADJOURN</u>	
6:30 p.m.	<u>CLOSED SESSION</u> <i>The closed Commission meeting will be called to order pursuant to Section 3-305(b)(1), Section 3-305(b)(3) and 3-305(b)(13) 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



State Legislative Year Round-Up – 2022 Session

Notable Housing Legislation: State Bill (“SB”) 384 established a stay of eviction proceedings in the event a resident subject to a failure to pay rent action if that tenant presents evidence that the tenant is currently awaiting a determination regarding the tenant’s application for rental assistance. SB 662 funds access to counsel in evictions cases.

Climate Solutions Now Act: SB 528 establishes a roadmap for greenhouse gas reductions for decades to come and is one of the nation’s most aggressive climate change laws, with goals of reducing greenhouse gas emissions statewide by 60% (from 2006 levels) by 2031 and achieving net-zero emissions statewide by 2045. The bill establishes a variety of foundational policies to achieve these goals, including establishing Building Energy Performance Standards for buildings of 35,000 square feet or more to achieve net-zero emissions by 2040; and requiring the Maryland Department of the Environment to develop a plan by 2030 to reach a zero emissions electricity supply by 2045. When taken with similar County Building Energy Performance Standards (“BEPS”), property owners will face significant new standards and penalties related to building performance. While for its part, HOC is leading by example; HOC will need to take stock of its own portfolio. Anticipating this change in law, HOC’s current new construction development projects will be all-electric communities.

Other Notable Environmental Legislation: Companion legislation, such as House Bill (“HB”) 108/SB 524, establishes stricter requirements for energy efficiency and conservation programs for low-income housing. There are solar-focused bills that create more attractive tax treatment for owners/investors; these bills (HB76 and HB1039/SB860) each include qualification of rooftop solar for arrays that serve at least 50% low- and moderate-income (“LMI”) customers. Staff is evaluating the value of the increased incentives to potential HOC properties.

The Resiliency Hub Grant Program and Fund, a new program to be administered by the Maryland Energy Administration, is charged with developing resilience hubs to serve LMI households. The resiliency hubs will be locations where solar and battery storage combine to help communities during times of extended power outages with emergency heating and cooling, refrigeration, and other emergency electricity needs. HOC is already including resiliency infrastructure in several of its redevelopments and renovations. This program may help drive funding to HOC’s future work.

State Funding for Metropolitan Green Roof: As part of annual bond-funded initiatives, Delegate Marc Korman secured \$1.6 million in funding to be used toward the reconstruction of the failing green roof at Metropolitan Apartments. The funding is comprised of 1) miscellaneous grant for \$1,250,000.00 and, 2) Legislative Bond Initiative for \$350,000. Work is scheduled to begin within the next two months.

Broadband Equity: In 2021 legislative session, the General Assembly (“GA”) passed SB 66/HB 97, which imposed major responsibilities on the State and on local governments to address the digital divide and ensure that every resident has access to reliable, high-quality, broadband Internet service at an affordable price and the devices and training necessary to use Internet resources. In tandem with that legislation, the GA also allocated \$300 million in Federal COVID-19 relief funds. During the 2022 legislative session, the GA allocated an additional \$171 million to the Local Government Infrastructure Fund. HOC is

in the process of developing its Broadband Equity policy, and staff will assess the applicability of these funds.

Libraries and Literacy: HB 383/SB 438 creates a Young Readers Matching Grant Program that funds programs that support the learning and growth of young readers by providing free, high-quality literature and resources to young children regardless of a family's income status.

HOCF Receives a \$25,000 Boost from Boston Financial Investment Management

Boston Financial Investment Management ("BFIM") and its parent company ORIX USA, selected Housing Opportunities Community Partners to receive a \$25,000 donation. BFIM is a member of ORIX Corporation USA's Corporate Social Responsibility ("CSR") Committee, and as part of its CSR initiatives for fiscal year ending March 31, 2022, has chosen HOCF as the recipient.

ORIX USA's CSR expressed in its letter to HOC that its activities are focused on building and improving the social, economic, and environmental infrastructures of the communities where they live and do business. They are further committed to providing support and partnership, taking action through volunteerism, and using its financial services enterprise to have a positive, sustainable impact that benefits society as well as our clients and employees. For context, BFIM is an investor in several of HOC's LIHTC transactions.

The year 2022, marks the year for the bi-annual fund raising drive and gala for HOCF; therefore, this donation is a strong start to that effort. HOC and HOCF appreciates BFIM and ORIX USA and their generous contribution and commitment to enhance the lives of low- and moderate-income families and individuals throughout Montgomery County, Maryland.

Information Technology ("IT") Division Implements Information Security Enhancements

HOC is dedicated to ensuring confidential information, sensitive data, and communications are highly secured. The effort to prevent data breaches and block cybercriminals from gaining access has been increasingly significant, in response to potential threats from remote operations since March 2020. The IT staff has completed installation of encryption and endpoint detection and response ("EDR") software on all Agency laptop computers that are currently in use.

Encryption and EDR are major components of an enterprise-wide information security strategy. Encryption is a process by which data is encoded so that it is hidden from or inaccessible to unauthorized users. If unauthorized people manage to gain access, they still will not be able to read the data. EDR is employed to monitor an "endpoint" (i.e., laptops, mobile devices, etc.) continuously, in order to identify active or traces of suspicious activities and advanced persistent threats in an environment and alert administrators, accordingly. Other components, which are already in place, include multi-factor authentication, anti-virus software and firewall protection.

In addition to their stated purpose, the implementation of these processes strengthens our security position to procure cybersecurity insurance successfully. Cybersecurity insurance is designed to protect against computer related crimes and losses and cover privacy, data, and network exposures. If computer systems are compromised by targeted attacks, such as malware or phishing, or accidental attacks, there can be costs to notify affected parties and provide credit monitoring, for example; there is also the need to guard against ransomware attacks, which can cripple business operations.

Resident Services Activities – Service Coordination

The Service Coordination Unit provides assessment, counseling, information, referrals and program services to HOC customers. During the month of April 2022, staff continued to provide services primarily virtually due to the COVID pandemic and the continued closure of HOC offices. Resident Counselors continued to engage HOC customers to determine their needs. During April, customers were referred to our partners, received 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 to the COVID Rent Program, and the Housing Stabilization Program.

During the month of April HOC customers also continued to receive referrals to unemployment assistance, Temporary Cash Assistance, Supplemental Nutrition Assistance Program, Maryland Energy Assistance Program, and other benefit programs. Housing Stabilization staff continued to process a vast number of applications for rental assistance. Though resident counselors continued working remotely due to the COVID-19 pandemic, staff continues to come in as needed for emergencies and to assist with food distribution, vaccination clinics, and other activities. Resident Counselors also continue to attend the HRD 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 specific needs.

Highlights for April activities of resident counselors include the following:

- **Rental Assistance:**
 - Outreach and assistance to customers in applying for COVID rental assistance under the Community Development Block Grant (“CDBG”) Program.
- **Cider Mill:**
 - Community cool down meetings to address recent violence within the Cider Mill community and plan for community events on April 1,2022;
 - Meeting with the Street Outreach Network to plan programming activities for customers at Cider Mill;
 - Assisted customers at Cider Mill with recertifications on an ongoing basis;
 - Attended the resident meeting held at Cider Mill (April 25).
- **Workshops**
 - Facilitated the Fundamentals of Housing workshops (April 20-21);
 - Facilitated resource sharing workshops (April 26-28);
 - Partnered with Office of Heat & Energy in Energy Savings Workshop (April 28);
- **Resident Wellbeing:**
 - Community bingo activity on (April 14);
 - Senior Fitness Exercise Program at Forest Oak Towers;
 - Paint with Pierce-Art Enrichment Program at Rockville Town Center on (April 19);
 - Gardening program at Forest Oak Towers (April 19).
- **Food & Nutrition Support:**
 - Facilitated the Senior Brown Bag food distribution at Elizabeth House (April 19);
 - Partnered with St. John’s Church of Bethesda to facilitate the Nourishing Bethesda Nutritional Education and food distribution event at Waverly House on each Friday during April;
 - Distributed goodie bags/Easter baskets to youth at Cider Mill, Stewartown, Washington Square, Camp Hill, Town Centre Olney, Tanglewood and Sandy Springs during spring break to celebrate Easter.

- **Relocation Assistance:**

- Provide continuous relocation assistance to customers at RAD renovation and development properties at Rockville Town Center, Stewartown Homes, Shady Grove Apartments, Willow Manor Properties, Bauer Park Apartments, and Georgian Court Apartments.

Resident Services – Programming

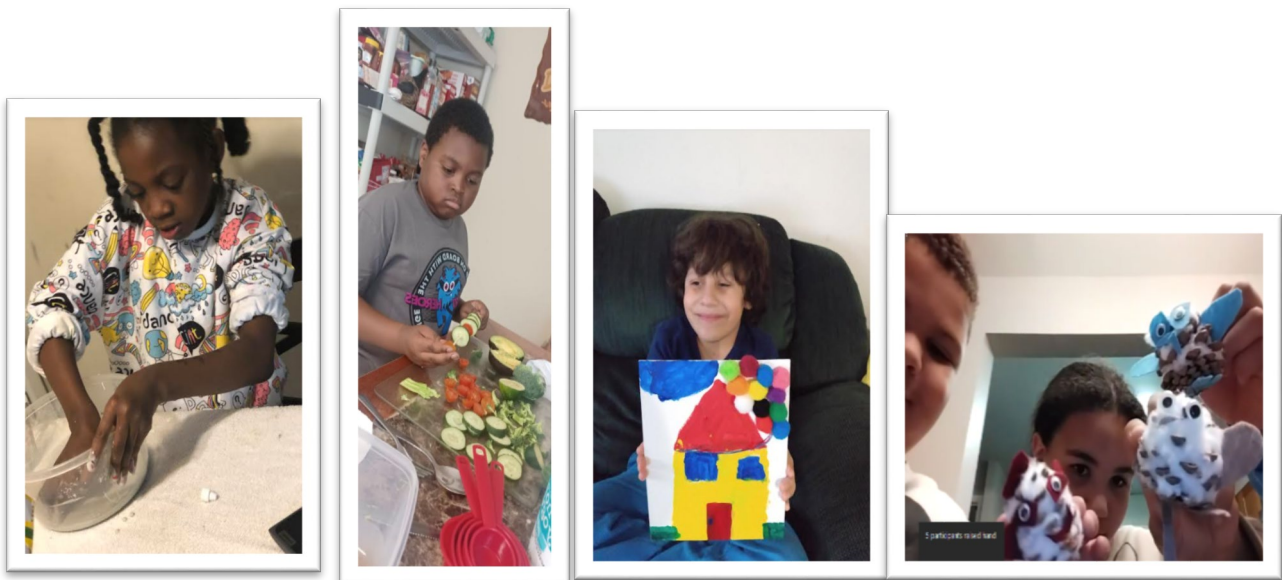
The Resident Services Division continued to provide food resources and other supports with the help of Manna Food Center, Emmanuel Brinklow Seventh Day Adventist Church, Montgomery County Senior Nutrition Lunch Program, and the Capital Area Food Bank’s Senior Brown Bag, and My Groceries To Go Programs. In April 2022, 350 HOC customers were served.

Resident Services – HOC Academy

Youth Enrichment

The Afterschool Science, Technology, Engineering, Art and Mathematics (STEAM) enrichment for elementary aged youth Grades 3-5 continued during the month of April with 24 current participants. The youth have participated in different educational enrichment experiences, including Science, Technology, Engineering and Mathematics (STEM) experiments (Mad Science), and healthy cooking activities.

In April, the participants learned about solids and liquids through a hands-on science experiment called Outrageous Ooze. During Mad Science’s presentation, participants learned all about animals and optical illusions. Participants learned about diverse and astounding creatures on earth as they experimented with clay mold, and were able to examine real tooth and claw replicas. During the Optical Illusion class, participants learned about how your eyes can trick our brains to “see” objects. They also learned about reflection, lenses, and how light travels. In April a new art program began entitled the “Up House Project.” During the program, participants created healthy snacks (vegetable skewers with avocado crema) while learning about why vegetables are good for the body and mind. Participants enjoyed measuring the ingredients, chopping the vegetables and experimenting with seasonings to alter the taste of the avocado crema. Below are pictures from program activities.



HOC Academy staff continued to recruit for HOC's College Success Program. There are 12 high school seniors enrolled to date and 21 youth who have completed the interest form and requires additional outreach. Approximately 80% of the participants have received early admission acceptance letters from several colleges, and universities, including Montgomery College, Hood College, Morgan State University, and Towson University. Students are participating in monthly webinars and/or one-on-one phone contact with their coaches.

Adult Education and Workforce Development

In April, the Small Business Strategy Course ("SBSC") launched Cohort 5. A total of eight (8) students completed week one's class on April 25, 2022. Cohort 4 (nine students) finished its 10-week course on April 21, 2022, and will begin to work with ALSTNTEC, LLC to discuss business legalization readiness.

HOC Academy staff, with the assistance of Housing Opportunities Community Partners ("HOCP"), will continue to offer small business development opportunities in FY2023. In addition to the small business strategy courses and monthly webinars, HOC Academy staff will offer small scholarships for businesses to gain additional training and assistance in the area of marketing and website design. Businesses can also use the scholarship fund to seek one-on-one business coaching.

Resident Services – Customer Highlights

Two (2) customers completed certifications in April 2022:

1. Shawntae Ramey completed Certified Nursing Assistant and obtained new employment at Visiting Angels Home Care.
2. Latoya Gunn completed Phlebotomy Certification and received her CPR Certification.

Additionally, 10 of 21 Tuition Assistance Program Recipients completed at least two (2) benchmarks toward completing their goals so far this fiscal year.

Resident Services – Financial Literacy

The Financial Literacy Coach continued to work with HOC customers and individuals on the Housing Path waitlist on creating a financial foundation. During April, the Financial Literacy Coach provided one-on-one financial literacy coaching to 12 HOC customers and seven (7) 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 April, the Financial Literacy Coach also facilitated financial literacy workshops. Eight (8) HOC customers and five (5) individuals from the waitlist attended the workshops.

Resident Services – Supportive Housing

The Supportive Housing Program provides housing assistance and case management services to 239 participants who are formerly homeless and have disabilities. The program services some of the most vulnerable residents of the county. In April, program staff continued to conduct home visits with program participants. Program staff continue to wear the appropriate personal protective equipment and maintaining distancing. Program staff also continued the process of planning for the conversion to a Leasing program structure. This will entail converting all leases between program participants and landlords to leases between HOC and landlords. Program staff also continued to assist Emergency Voucher recipients. Program staff is also providing services that include assistance with application fees, housing location, security deposits, moving assistance, and household items.

During April, program staff continued to implement the Rent Supplement Program (“RSP”). The RSP 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. The program continues to struggle to fill all program slots. This is due to a lack of success enrolling new participants from the waitlist. Program staff are working with Counselors to identify customers at HOC sites who qualify and can benefit from the program. Additionally, program staff will work with the County’s Department of Health and Human Services (“DHHS”) to receive referrals for people in the homeless continuum of care.

Resident Services – 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 a second five-year grant and is currently in year two of the five-year grant period. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. In April, 35 new fathers were enrolled in the program. Additionally, 35 fathers graduated in April.

HOC’s Fatherhood Initiative also continued its participation in the Strengthening the Implementation of Responsible Fatherhood Programs (“SIRF”) Study. The study works closely with the program to identify and overcome the challenges the program may face along the lines of case management. The study also identifies challenges, helps implement possible solutions, examine those effects on the program, and make adjustments when needed. The SIRF study will produce usable, broadly applicable lessons to inform emerging best practices in recruiting, engaging, and retaining fatherhood participants, as well as methods for implementing rapid cycle evaluations within Responsible Fatherhood programs. During April, Fatherhood Initiative staff continued the third learning cycle for the program. During this learning cycle case management sessions with Fathers has increased.

Housing Resource Division – Housing and Helping Montgomery County Residents Achieve Self Sufficiency

Housing Choice Voucher Program: Monthly, HOC selects applicants from the Housing Path Waitlist to achieve a 95% program utilization rate. The program baseline is 7,659, with a current utilization rate of 93%. HOC extraordinarily housed 210 new applicants during the month of March 2022; however, 65 participants exited the program during the same period. This year, the program has experienced an increased number of terminations resulting from deaths and failure to complete the annual recertification. The average attrition rate for CY2021 was 32 participants per month. Thus far, the average CY2022 attrition rate is 51 terminations per month. Consequently, there is an increased number of applicants selected from the waitlist to counteract the terminations. Currently, 104 contracts are pending execution, 232 families with issued vouchers are searching for suitable units to rent, and 200 families were selected from the HCV wait list last month.

HOC has an allocation of 118 Emergency Housing Vouchers (“EHVs”). Currently 52 families have successfully leased units. Thus far, 54 Families with issued vouchers are searching for suitable units to rent. EHV customers are referred to HOC from Montgomery County’s Department of Health and Human Services (“DHHS”). HOC received four (4) referrals in March 2022, and now require seven (7) additional referrals from DHHS, because previously issued to 10 families have expired.

Family Self Sufficiency (“FSS”): In partnership with HOC, the Emmanuel Brinklow Seventh Day Adventist Church conducted a virtual Financial Literacy workshop for HOC’s customers on April 19, 2022, during which participants were provided with strategies to utilize tools and resources to address their debt and credit circumstances. Twenty-seven customers/FSS participants attended the session on "The Relationship between Debt and Credit." The presenter engaged the participants in a thorough discussion on the alliance of debt and credit. He expounded on the definition of debt and its power to help or hurt one's credit and ability to flourish in life by examining the three major factors that affect credit-payment history, utilization of debt, and length of credit history.

Real Estate Development Activities – Razing a Path to Hillandale Gateway and Heritage Emory Grove

Holly Hall Demolition: The long-awaited demolition of the former Holly Hall Apartments commenced on April 29, 2022, which marks the first significant step in realizing the vision for the proposed mixed-use, mixed-income, multigenerational, and sustainable development known as Hillandale Gateway that will feature a 308-unit family development and 155-unit age-restricted development. Demolition activities will occur over the next several weeks along with processing of the Low Income Housing Tax Credit (“LIHTC”) application and other related predevelopment activities with an anticipated project start in the first quarter of calendar year 2023.



Emory Grove Demolition: Tammal Enterprises began the demolition of the structures, which included the former townhomes and related buildings on March 29, 2022, and is slated to be fully completed with demolition activities within the next two (2) weeks. While the buildings have been removed, current activities include crushing of remaining brick and concrete materials. HOC will continue to work with its partners including the Emory Grove United Methodist Church through the predevelopment and master planning visioning process over the next several months.



Real Estate Opportunities – County Properties at Offer

The County has announced the availability of 18 County-owned properties for the development of affordable housing. The Department of General Services, which is managing the competitive process, has set a May 3, 2022 date for an open house, a May 18, 2022 deadline for questions, and a June 1, 2022 deadline for letters of interest.

Sites on the list include a portion of the site on which the White Flint fire station will be built; the East County Regional Services Center; Parking Lot 41, which is at the west end of Avondale Street; and Parking Lot 29, which is adjacent to 880 Bonifant Street.

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

April 6, 2022

22-04

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via an online platform and teleconference on Wednesday, April 6, 2022, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:03 p.m. Those in attendance were:

Present via Teleconference

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

Also Attending via Teleconference

Timothy Goetzinger, *Acting Chief Financial Officer*
Jennifer Arrington
Nathan Bovelie
Darcel Cox
Paige Gentry
Lynn Hayes
Bonnie Hodge
Hyunsuk Choi
Fred Swan
Kathryn Hollister
Francisco Vega
Jessie Joseph

Aisha Memon, *General Counsel*
Patrick Mattingly
John Broullire
Marcus Ervin
Billy Buttrey
Ian-Terrell Hawkins
Matt Husman
Zachary Marks
Terri Fowler
Olutomi Adebo
Gail Willison

IT Support

Aries Cruz

Commission Support

Patrice Birdsong, *Spec. Asst. to the Commission*

Chair Priest opened the meeting welcoming all to the monthly meeting. There was a roll call of Commissioners participating. Kayrine Brown, Acting Executive Director, was necessarily absent, designating Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, to assist in facilitating the meeting.

I. **Information Exchange**

Community Forum

- There were no participants signed up for the Community Forum.

Executive Director's Report

- Timothy Goetzinger, Chief Development Funds Officer/Acting Chief Financial Officer, provided an overview of the written report highlighting various activities HOC coordinated and/or participated

in. Commissioner Simon congratulated the staff on an excellent presentation provided during the PHED Committee meeting. Lynn Hayes, Director of Housing Resources and Fred Swan, Director of Resident Services, addressed Chair Priest and Commissioners question on housing location assistance. Chair Pro Tem Nelson complimented the staff for all their work in providing assistance to the residence of Montgomery County. Commissioner Simon also compliment on the Adopted Budget that can be found on HOC's webpage.

Commissioner Exchange

- Chair Priest commented on a human interest story he had recently seen regarding the explosion and fire at the Friendly Garden Apartments of a resident who frequents the site. He thanked staff for providing assistance to the residence and relocating to HOC's Paddington Square property.
- II. **Approval of Minutes** - The minutes were approved as submitted with a motion by Commissioner Byrd and seconded by Chair Pro Tem Nelson. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon.
- A. **Approval of Minutes of March 2, 2022**
 - B. **Approval of Minutes of March 2, 2022 Closed Session**
 - C. **Approval of Minutes of March 17, 2022 Special Session**
 - D. **Approval of Minutes of Mach 17, 2022 Closed Special Session**

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

A. **Administrative and Regulatory Committee – Com. Kelleher, Chair**

1. **Public Housing Agency Plan (PHA):** Authorization to Submit HOC's Fiscal Year 2023 Annual Public Housing Agency Plan

Elliot Rule, Management and Compliance Analyst, was the presenter.

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

RESOLUTION NO.: 22-22

**RE: Authorization to Submit the Fiscal Year
2023 Annual Public Housing Agency Plan**

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") seeks to implement the mandatory Annual PHA Plan requirements of the Quality Housing and Work Responsibility Act of 1998 ("QHWRA"); and

WHEREAS, the submission of the FY 2023 Annual PHA Plan was prepared in accordance with 24 CFR Part 903 regulations and requirements for submission to the U.S. Department of Housing and Urban Development ("HUD"); and

WHEREAS, HOC worked in collaboration with the Resident Advisory Board to obtain recommendations in the development of the proposed Annual PHA Plan submission; and

WHEREAS, HOC obtained certification from local government officials that the proposed Annual PHA Plan Submission is consistent with the jurisdiction's Consolidated Plan; and

WHEREAS, HOC conducted a Public Hearing on April 6, 2022 to obtain public comments regarding the proposed Annual PHA Plan Submission; and

WHEREAS, HOC has considered all comments and recommendations received and has incorporated all relevant changes in the proposed Annual PHA Plan Submission.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the FY 2023 Annual PHA Plan and its submission to HUD no later than April 17, 2022, as required by federal regulation.

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

2. **Violence Against Women Act (VAWA):** Authorization to Implement Revisions to HOC's Violence Against Women Act Policy and Related Revisions to Housing Choice Voucher Administrative Plan

Elliot Rule, Management and Compliance Analyst, was the presenter.

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

RESOLUTION NO.: 22-23

RE: Authorization to Submit Proposed Revisions to HOC's Violence Against Women Act Policy and Related Revisions to the Housing Choice Voucher Administrative Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC") seeks to update its current Violence Against Women Act ("VAWA") Policy based on HUD guidance provided in PIH Notice 2017-08; and

WHEREAS, HOC seeks to implement VAWA related revisions to Chapter One of its Housing Choice Voucher ("HCV") Administrative Plan; and

WHEREAS, HOC worked in collaboration with the Resident Advisory Board to obtain recommendations in the development of the proposed updates to HOC's VAWA Policy and the related revisions to Chapter One of the HCV Administrative Plan; and

WHEREAS, HOC commenced a public comment period for the updates to the HCV Administrative Plan on March 4, 2022 and culminated with a virtual Public Hearing on April 6, 2022; and

WHEREAS, HOC has considered all comments and recommendations received and has incorporated all relevant changes in the proposed revisions to Chapter One of the HCV Administrative Plan.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the proposed revisions to HOC's VAWA Policy and related revisions to the HCV Administrative Plan.

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

3. **Housing Choice Voucher Administrative Plan:** Approval of Revisions to the Table of Content, Chapters 2, 10, and 11 of the HOC Housing Choice Voucher (HCV) Administrative Plan and Authorization for the Acting Executive Director to Implement the Revisions to the Plan

Jessie Joseph, Management and Compliance Analyst, was the presenter.

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

RESOLUTION NO.: 22-24

RE: Approval of Revisions to Table of Content, Chapters 2, 10, and 11 of the HOC Housing Choice Voucher (HCV) Administrative Plan and Authorization for the Acting Executive to Implement the Revisions to the Plan

WHEREAS, the Housing Opportunities Commission of Montgomery County (“Commission” or “HOC”) desires to revise its Administrative Plan for the Housing Choice Voucher Program (the “Plan”) to update the (i) Table of Contents (as shown on Exhibit A), (ii) processes related to live-in aides and reasonable accommodations in Chapter 2 (as shown on Exhibit B), (iii) language regarding remote inspections in Chapter 10 (as shown on Exhibit C), and (iv) language in Chapter 11 (as shown on Exhibit D) (collectively, the “Revisions”); and

WHEREAS, a public comment period for the Revisions began on March 4, 2022 and concluded on April 6, 2022 with a public hearing.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County adopts the Revisions, as identified in the revised Plan chapters attached hereto as Exhibit A, B C and Exhibit D.

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

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

1. **Hillandale Gateway:** Approval of a Preliminary Development Plan for the Non-Age Restricted Building and Approval of a Revised Affordability Mix for the Age-Restricted Building

Kathryn Hollister, Senior Financial Analyst, was the presenter.

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, Merkowitz, and Simon.

RESOLUTION NO.: 22-25

RE: Approval of Preliminary Development Plan for the Non Age-Restricted Building and Approval of a Revised Affordability Mix for the Age-Restricted Building for Hillandale Gateway

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC; and

WHEREAS, Hillandale Gateway, LLC, is the lessee of a 96-unit rental property in Hillandale known as Holly Hall Apartments located on approximately 4.35 acres of land at 10100, 10110 and 10120 New Hampshire Avenue, Silver Spring, MD 20903 (“Holly Hall”); and

WHEREAS, HOC is redeveloping the Holly Hall site and a neighboring parcel located at 10140 New Hampshire Avenue, Silver Spring, MD into a mixed-income, mixed-use, multigenerational community (“Hillandale Gateway”) as part of a joint venture with The Duffie Companies; and

WHEREAS, on February 18, 2021, the Montgomery County Planning Board approved the site plan for Hillandale Gateway (“Approved Site Plan”); and

WHEREAS, the Approved Site Plan includes the development of a 155-unit, age-restricted (age 62+) senior building (“AR Building”); a 308-unit, non-age restricted multifamily building (“NAR Building”); structured parking garage; and commercial/retail/restaurant spaces; and

WHEREAS, on March 2, 2022, the Commission approved a preliminary development plan for the AR Building, in which (a) 113 units are affordable to households earning 50% AMI or below; (b) 42 units are affordable to households earning 80% AMI or below; and (c) all 155 units are financed through the Low Income Housing Tax Credit (“LIHTC”) program, utilizing the program’s income average set aside; and

WHEREAS, the Commission desires to approve a revised affordability mix for the AR Building, in which (a) 15 units are affordable to households earning 30% AMI or below; (b) 15 units are affordable to households earning 40% AMI or below; (c) 25 units are affordable to households earning 50% AMI or below; (d) 50 units are affordable to households earning 60% AMI or below; (e) 25 units are affordable to households earning 70% AMI or below; and (f) 25 units are affordable to households earning 80% AMI or below; and

WHEREAS, the Commission desires to approve a preliminary development plan for the NAR Building, in which (a) 10 units are affordable to households earning 30% AMI or below; (b) 10 units are affordable to households earning 40% AMI or below; (c) 42 units are affordable to households earning 50% AMI or below; (d) 31 units are affordable to households earning 80% AMI or below; (e) 215 units are unrestricted; and (f) the 93 restricted units are financed through the LIHTC program, utilizing the program’s income average set aside.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that it approves a revised affordability mix for the AR Building, in which (a) 15 units are affordable to households earning 30% AMI or below; (b) 15 units are affordable to households earning 40% AMI or below; (c) 25 units are affordable to households earning 50% AMI or below; (d) 50 units are affordable to households earning 60% AMI or below; (e) 25 units are affordable to households earning 70% AMI or below; and (f) 25 units are affordable to households earning 80% AMI or below.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting for itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that it approves the preliminary development plan for the NAR Building, in which (a) 10 units are affordable to households earning 30% AMI or below; (b) 10 units are affordable to households earning 40% AMI or below; (c) 42 units are affordable to households earning 50% AMI or below; (d) 31 units are affordable to households earning 80% AMI or below; (e) 215 units are unrestricted; and (f) the 93 restricted units are financed through the LIHTC program, utilizing the program’s income average set aside.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on behalf of itself and on behalf of HOC at Hillandale Gateway, LLC, acting for itself and on behalf of Hillandale Gateway, LLC, that the Acting Executive Director, or her designee, is hereby authorized, without any further action on its part, to take any and all actions necessary and proper to carry out the transactions and actions contemplated herein, including the execution of any documents related thereto.

2. **Garnkirk Farms:** Authorization to Execute a Construction and Development Service Agreement Between HOC at Garnkirk Farms, LLC and RJD Real Estate Advisors, LLC for the Development of Garnkirk Farms Apartments

Marcus Ervin, Director of Development, was the presenter.

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

RESOLUTION NO.: 22-26

RE: Authorization to Execute a Construction and Development Services Agreement Between HOC at Garnkirk Farms, LLC and RJD Real Estate Advisors, LLC for the Development of the Garnkirk Farms Apartments in Clarksburg

WHEREAS, the Housing Opportunities Commission of Montgomery County (the “Commission” or “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; and

WHEREAS, the Duffie Companies (“Duffie”), is the owner of a parcel located at Shawnee Lane and Observation Drive in Clarksburg, which is fully entitled for a 184-unit, wood frame apartment community wrapped around a 254-unit structured parking deck (“Garnkirk Farms Apartments” or the “Property”); and

WHEREAS, on December 4, 2020, Duffie submitted to HOC an unsolicited offer providing HOC the opportunity to acquire Garnkirk Farms Apartments via ground lease (“Ground Lease”); and

WHEREAS, on September 17, 2021, HOC (as the sole member of HOC at Garnkirk Farms, LLC) closed on the Ground Lease, which included as part of the consideration a right of first offer by Duffie or its affiliates to perform development and/or construction management services for Garnkirk Farms Apartments, provided the parties are able to negotiate mutually agreeable terms for such services; and

WHEREAS, at closing, Duffie assigned to HOC all of its existing design and development work product, and HOC is required to reimburse Duffie for the same at the earlier of closing on the first construction loan or January 1, 2023; and

WHEREAS, the Ground Lease allows HOC to defer rent payments until the earlier of the closing on the first construction loan or January 1, 2023; and

WHEREAS, on November 3, 2021, the Commission approved an initial predevelopment budget (“Predevelopment Budget”) and funding (“Predevelopment Funding”) from the PNC Bank, N.A. Real Estate Line of Credit (the “\$150MM LOC”) in the amount of \$5,344,731 to cover the predevelopment expenditures related to development of the Property that include the costs related to finalizing the building design, paying for building permits, professional/legal fees, and payment of deferred ground lease payments prior to construction, which will be repaid at the closing of the construction financing anticipated to occur around May of 2023;

WHEREAS, through the execution of a Construction and Development Services Agreement RJD Real Estate Advisors, LLC (“Developer”) will serve as developer for the Garnkirk Farms Apartments with assistance from and oversight by HOC and will be responsible for the day-to-day project management, design, procurement, and general development for the project while sharing in a project development fee pursuant to terms presented to the Commission.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and as the sole member of HOC at Garnkirk Farms, LLC, that HOC’s Acting Executive Director, or her duly authorized designee, is authorized to execute a Construction and Development Services Agreement with RJD Real Estate Advisors, LLC, containing business terms substantially and materially similar to those outlined to the Commission.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting in its own capacity and as the sole member of HOC at Garnkirk Farms, LLC, that HOC's Acting Executive Director, or her duly authorized designee, 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

1. **Fiscal Year 2023 (FY'23) Recommended Budget:** Presentation of the Acting Executive Director's FY'23 Recommended Budget

Timothy Goetzinger, Chief Development Funds Officer/Chief Financial Officer, introduced Terri Fowler, Budget Officer, who provided the presenter. No action was required.

2. Approval to Increase the Acting Executive Director's Approval Limit to Fund a Transfer of Knowledge Agreement to Provide Transitional and Consulting Services to HOC

Timothy Goetzinger, Chief Development Funds Officer/Chief Financial Officer, was the presenter.

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

RESOLUTION NO.: 22-27

Re: Approval to Increase the Acting Executive Director's Approval Limit to Fund a Transfer of Knowledge Agreement to Provide Transitional and Consulting Services to HOC

WHEREAS, the Housing Opportunities Commission of Montgomery County's ("Commission" or "HOC") Procurement Policy ("Policy") establishes the maximum awarding authority for staff; and

WHEREAS, the maximum awarding authority for the Executive Director is \$250,000 for Purchase Orders, Contracts for Goods and Services, and Professional Service Contracts; and

WHEREAS, effective on February 1, 2021, HOC entered into a Transfer of Knowledge Agreement (the "Agreement") with one of its former Chief Financial Officers ("CFO") (the "Consultant") to provide transition and consulting services;

WHEREAS, staff has previously requested four amendments to the Agreement to increase the services to (i) support of the Acting CFO following the resignation of the CFO, (ii) to assist with Union negotiations, (iii) and to manage the fiscal year 2022 Single Audit and the overall HOC audit; and

WHEREAS, due to continued vacancies at the executive levels caused by HOC's ongoing recruiting of an Executive Director, it is necessary to enter into a fifth amendment to the Agreement to allow the Consultant to continue to (i) support the Acting CFO, (ii) assist a new CFO (when hired), (iii) assist with new rounds of Union negotiations, and (iv) provide institutional transfer of knowledge to the new Executive Director; and

WHEREAS, the fifth amendment would increase the cost of the Agreement above the Executive Director's awarding authority by \$75,000.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves an increase of \$75,000 above the current maximum awarding authority for the Executive Director to provide full funding of the Agreement for a total amount of \$325,000 covering two calendar years.

Chair Priest read the Written Closing Statement and made a motion to adopt the statement and close the meeting. Chair Pro Tem Nelson seconded the motion, with Commissioners Priest, Kelleher, Nelson, Byrd, Croom, Merkowitz, and Simon voting in approval.

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 5:28 p.m. and reconvened in closed session at 5:35 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 April 6, 2022 at approximately 5:35 p.m. via an online platform and teleconference, with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Section 3-305(b)(3) to discuss the potential acquisition of real property located in Silver Spring, Maryland for redevelopment into multifamily housing.

The meeting was closed and the closing statement dated April 6, 2022 was adopted on a motion made by Roy Priest, seconded by Richard Y. Nelson, Jr., with Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowitz, and Jackie Simon voting in favor of the motion. The following persons were present: Roy Priest, Frances Kelleher, Richard Y. Nelson, Jr., Pamela Byrd, Linda Croom, Jeffrey Merkowitz, Jackie Simon, Timothy Goetzinger, Aisha Memon, John Broullire, Marcus-Ervin, Ellen Goff, Paige Gentry, Darcel Cox, Gail Willison, Patrick Mattingly, Nathan Bovelie, Hyunsuk Choi, Zachary Marks, Ian-Terrell Hawkins, and Patrice Birdsong.

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

1. **Topic:** The potential acquisition/purchase (via either a ground lease or purchase and sale agreement) of real property located in Silver Spring, Maryland for redevelopment into multifamily housing (pursuant to Section 3-305(b)(3)).
 - a. **Action Taken:** With a quorum present, Commissioners Priest, Kelleher, Nelson, Byrd, Merkowitz, and Simon adopted Resolution 22-28AS, which authorized (i) the submission of an offer to the property owner, and (ii) a draw on the Opportunity Housing Reserve Fund to complete a feasibility study. Commissioner Croom abstained.

The closed session was adjourned at 6:25 p.m.

Respectfully submitted,

Kayrine Brown
Acting Secretary-Treasurer

/pmb

Exhibits – Available Upon Request

Consent

**APPROVAL OF CHANGES TO THE COLLECTIVE BARGAINING
AGREEMENT
BETWEEN
THE HOUSING OPPORTUNITIES COMMISSION OF
MONTGOMERY COUNTY
AND
THE MUNICIPAL AND COUNTY GOVERNMENT EMPLOYEES
ORGANIZATION FOR THE PERIOD OF
JULY 1, 2020 THROUGH JUNE 30, 2022**

May 4, 2022

- The Collective Bargaining Agreement (“CBA”) between the Housing Opportunities Commission of Montgomery County (“HOC”) and the Municipal and County Government Employees Organization (“MCGEO”) expired June 30, 2020.
- HOC and MCGEO agreed to continue the terms and conditions of the expired contract and negotiate wage adjustments for Fiscal Year 2021 and Fiscal Year 2022, negotiate revisions to the HOC Telework Program and adopt certain Tentative Agreements that were reached during the negotiation process.
- Negotiation began October 15, 2021 and concluded on March 11, 2022.
- The Negotiated Agreement was presented to the two bargaining units of Service, Labor and Trades and Office, Professional and Technical and was ratified by a vote of 112-0, on Friday April 29, 2022.
- The Collective Bargaining Law stipulates that the CBA shall be effective upon the approval of the Commission and the bargaining units.

MEMORANDUM

TO: Housing Opportunities Commission

VIA: Kayrine Brown, Acting Executive Director

FROM: Staff: Patrick Mattingly, Director of Human Resources Div. Executive Ext 9438

RE: Approval of Changes to the Collective Bargaining Agreement between the Housing Opportunities Commission and Municipal and County Government Organization for the Period of July 1, 2020 through June 30, 2022

DATE: May 4, 2022

STATUS: Consent **Deliberation** **Status Report** **Future Action**

OVERALL GOAL & OBJECTIVE:

To seek approval of Changes to the Collective Bargaining Agreement between the Housing Opportunities Commission (HOC) and the Municipal and County Government Employees Organization (MCGEO) for the period of July 1, 2020 through June 30, 2022.

BACKGROUND:

The Collective Bargaining Agreement between HOC and MCGEO expired June 30, 2022. HOC and MCGEO agreed to, 1) continue the terms and conditions of the expired contract and negotiate wage adjustments for Fiscal Year 2021 and Fiscal Year 2022, 2) negotiate revisions to the HOC Telework Program and 3) adopt Tentative Agreements that were reached during the negotiation process. Negotiations began October 15, 2021 and concluded on March 11, 2022. Staff has provided periodic updates to the Commission during the negotiations. The Negotiated Agreement reached by the parties includes the items outlined below.

I. Wage Adjustments

- The Negotiated Agreement stipulates that effective the first full pay period after January 1, 2022, Bargaining Unit Members shall receive a \$1,064.00 General Wage Adjustment.
- The Negotiated Agreement stipulates that effective the first full pay period after June 1, 2022, Bargaining Unit Members will receive a \$1,684.00 General Wage Adjustment.
- The Negotiated Agreement stipulates that the minimum and maximum of the Pay Scales for each grade shall be increased commensurate with each General Wage Adjustment.

- The Negotiated Agreement also stipulates that, for Fiscal Year 2022, Bargaining Unit Members who have been rated as Fully Successful by the effective date shall receive a 3.5% Annual Pay Increment effective the first full pay date after January 1, 2022. A Bargaining Unit Member who is not Fully Successful the first full pay period after January 1, 2022, shall receive their Fiscal Year 2022 increment when they become Fully Successful. Bargaining Unit Members who were not eligible for the Fiscal Year 2022 Annual Pay Increment because they have reached the Top of Grade shall receive an \$825.00 bonus.
- The Negotiated Agreement also stipulates that Bargaining Unit Members who have worked at least six months in Fiscal Year 2021 shall receive a 1.75% Annual Pay Increment, effective the first full pay period after June 1, 2022 and a 1.75% Annual Pay Increment effective the first full pay period after September 1, 2022. Bargaining Unit Members who are not eligible for the Fiscal Year 2021 increment because they are at Top of Grade shall receive a \$412.50 bonus the first full pay period after June 1, 2022 and a \$412.50 bonus the first full pay period after September 1, 2022.

II. Telework Program

Telework is a work arrangement through which employers permit approved employees to carry out their duties and responsibilities of their position from home. HOC has operated a telework program since July 1, 2004. However, HOC's telework program only permitted a handful of positions to telework and on a very limited basis. With the advent of the Coronavirus Pandemic in March 2020, employers quickly moved to Social Distancing measures and working remotely swiftly became a widespread accepted business practice. Telework is now universally accepted as a critical component of an employer's family-friendly workplace initiatives.

In the summer of 2021, MCGEO approached HOC, on behalf of its Bargaining Unit Members, to enter in to negotiations in an effort to expand the use of telework where appropriate. HOC also recognized to remain competitive in the recruitment and retention of staff telework was now crucial.

The parties reached a tentative agreement on telework on March 11, 2022. A summary of the key elements is provided below:

- The Telework Agreement outlines the General Roles and Responsibilities of multiple parts of the organization for coordinating and managing the telework program, including 1) Human Resources as the Administrators of HOC's Telework Program, 2) HOC Departments/Divisions for its Implementation, 3) Supervisors to facilitate Employee and Team Telework Success, and 4) Teleworkers to maintain or enhance services and outcomes for HOC customers.
- Participation in Telework is voluntary. Employee participation in telework may fall in one of the following categories: 1) Recurring telework with employees working from a remote location on a regular, recurring basis up to five days per week; or 2)

Intermittent/Situational telework with employees generally working on-site, but would telework for limited periods of time based on either circumstances impacting the availability of the HOC worksite, or job responsibilities that could best be accommodated by working remotely.

- Eligible Positions: For the purposes of the Telework Program, HOC has developed a list of standards for the determination of position eligibility.
- Employee Requests to Telework: Employees may request to participate in the Telework Program by completing a Telework Application. The application is evaluated to ensure that the duties and responsibilities within the position can be accomplished through telework, provided it does not negatively impact upon service delivery or performance. Division Directors are responsible for approving and denying telework requests.
- The Negotiated Telework Program also addresses certain standard administrative operational terms, including but not limited to:
 - Continued Participation in Telework;
 - Computer Requirements – Mandatory HOC-issued laptop;
 - Employee Workspace, Work Schedule/Time and Attendance;
 - Customer Service, Performance & Telework;
 - Terms and Conditions of Telework Agreements; and
 - Discontinuation of Telework and the appeals process.

III. Tentative Agreements

The Negotiated Agreement also includes Tentative Agreements to the Collective Bargaining Agreement reached during the negotiation process. For the most part these Tentative Agreements reflect language changes requested by each party to bring the language in the Contract current, for example:

1. Changes to Employee Benefit Sections to ensure the CBA language is consistent with Montgomery County Group Insurance Plan;
2. Removal of outdated or obsolete language that covered items which are no longer in effect;
3. Fine-tuning of some sections to reflect current practices, and
4. Acceptance by the parties that the CBA will be revised to reflect gender neutral language.

These agreements help to maintain a cooperative relationship between the HOC and the union and clarify work rules, standards and benefits for the parties as well as the workforce.

The Negotiated Agreement was presented to the two bargaining units of Service, Labor and Trades and Office, Professional and Technical and was ratified on Friday April 29, 2022.

ISSUES FOR CONSIDERATION:

Does the Commission wish to approve the changes to the Collective Bargaining Agreement for the period of July 1, 2020 to June 30, 2022?

PRINCIPALS:

Housing Opportunities Commission
Municipal and County Government Employees Organization

BUDGET IMPACT:

The total estimated cost impact for the negotiated wage adjustments for represented employees is \$1,380,133.

TIME FRAME:

For Commission action on May 4, 2022

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends Commission approval of the changes to the Collective Bargaining Agreement.

Resolution No.: 22-29

RE: Approval of Changes to the Collective Bargaining Agreement between the Housing Opportunities Commission and the Municipal and County Government Employees Organization for the period of July 1, 2020 through June 30, 2022

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is required by law to enter into a Collective Bargaining Agreement (“CBA”) for Commission employees who are covered under the collective bargaining law that went into effect as of October 1, 1999; and

WHEREAS, the CBA between HOC and the Municipal County Government Employees Organization (“MCGEO”) (the exclusive union representative for those employees in the bargaining units of Service, Labor, and Trades (“SLT”), and Office, Professional, and Technical (“OPT”)) expired on June 30, 2020; and

WHEREAS, HOC and MCGEO agreed to continue the terms and conditions of the expired CBA and negotiate wage adjustments for Fiscal Year 2021 and 2022, negotiate revisions to HOC’s Telework Program, and to adopt Tentative Agreements that were reached during the negotiation process;

WHEREAS, the negotiations began on October 15, 2021 and were successfully concluded on March 11, 2022; and

WHEREAS, the “Negotiated Agreement” reached by HOC and MCGEO includes the following:

1. Effective the first full pay period after January 1, 2022, Bargaining Unit Members shall receive a \$1,064.00 General Wage Adjustment.
2. Effective the first full pay period after June 1, 2022, Bargaining Unit Members will receive a \$1,684.00 General Wage Adjustment.
3. The minimum and maximum of the Pay Scales for each grade shall be increased commensurate with each General Wage Adjustment.
4. For Fiscal Year 2022, Bargaining Unit Members who have been rated as Fully Successful by the effective date shall receive a 3.5% Annual Pay Increment effective the first full pay date after January 1, 2022. A Bargaining Unit Member who is not Fully Successful the first full pay period after January 1, 2022, shall receive their Fiscal Year 2022 increment when they become Fully Successful. Bargaining Unit Members who were not eligible for the Fiscal Year 2022 Annual Pay Increment because they have reached the Top of Grade shall receive an \$825.00 bonus.
5. Bargaining Unit Members who have worked at least six months in Fiscal Year 2021 shall receive a 1.75% Annual Pay Increment, effective the first full pay period after June 1, 2022, and a 1.75% Annual Pay Increment effective the first full pay period after September 1,

2022. Bargaining Unit Members who are not eligible for the Fiscal Year 2021 increment because they are at Top of Grade shall receive a \$412.50 bonus the first full pay period after June 1, 2022 and a \$412.50 bonus the first full pay period after September 1, 2022.

6. Revisions to HOC's Telework Program, which outline roles, responsibilities, eligibility, and other standard administrative and operational terms and processes of the Telework Program.
7. Tentative Agreements to the CBA reached during the negotiation process, which were generally administrative, and include changes to Employee Benefit Sections to ensure the language is consistent with Montgomery County Group Insurance Plans; removal of outdated or obsolete language; updating sections to reflect current practices; and an agreement by the parties that the CBA will be revised to reflect gender neutral language.

WHEREAS, the collective bargaining law stipulates that the CBA shall be effective upon the approval of the Commission and the membership of the union representing the bargaining unit; and

WHEREAS, the union membership ratified the Negotiated Agreement on April 29, 2022.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby approves the Negotiated Agreement.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission at an open meeting conducted on Wednesday, May 4, 2022.

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Patrice Birdsong
Special Assistant to the Commission

**APPROVAL OF FISCAL YEAR WAGE ADJUSTMENTS AND ANNUAL PAY INCREMENTS
FOR NON-REPRESENTED MERIT SYSTEM STAFF
FOR THE PERIOD OF
JULY 1, 2020 THROUGH JUNE 30, 2022**

May 4, 2022

- The Acting Executive Director is seeking approval to award General Wage Adjustments and Annual Pay Increments for Non-Represented Merit System staff for the period of July 1, 2020 through June 30, 2022.
- Staff recommends that the Commission award the following compensation for Non-Represented Merit System staff for the period of July 1, 2020 through June 30, 2022 that is fair, equitable and consistent with that of represented employees.

MEMORANDUM

TO: Housing Opportunities Commission

VIA: Kayrine Brown, Acting Executive Director

FROM: Patrick Mattingly, Human Resources Director Div. Executive Ext 9438

RE: Approval of Fiscal Year Wage Adjustments and Service Increments for Non-Represented Merit System Staff for the Period of July 1, 2020 through June 30, 2022.

DATE: May 4, 2022

STATUS: Consent X Deliberation _____ Status Report _____ Future Action _____

OVERALL GOAL & OBJECTIVE:

To seek approval to award General Wage Adjustments and Annual Pay Increments for Non-Represented Merit System staff for the period of July 1, 2020 through June 30, 2022 that is fair, equitable and consistent with that of represented employees

BACKGROUND:

The Acting Executive Director is seeking approval to award General Wage Adjustments and Annual Pay Increments for Non-Represented Merit System staff for the period of July 1, 2020 through June 30, 2022, as follows:

- Non-Represented Merit System staff shall receive a \$1,064 General Wage Adjustment effective the first full pay period after January 1, 2022.
- Non-Represented Merit System staff shall receive a \$1,684 General Wage Adjustment effective the first full pay period after June 1, 2022
- Non-Represented Merit System staff who have been rated Fully Successful by the effective date shall receive a 3.5% Annual Pay Increment effective the first full pay date after January 1, 2022. Non-Represented Merit System staff who were not Fully Successful the first full pay period after January 1, 2022, shall receive their Fiscal Year 2022 Annual Pay Increment when they become Fully Successful.
- Non-Represented Merit System staff who are not eligible for the January 1, 2022 Annual Pay Increment because they have reached the Top of Grade shall receive a gross bonus of \$825.00.
- Non-Represented Merit System staff who have worked at least six months in Fiscal Year 2021

shall receive a 1.75% Annual Pay Increment, effective the first full pay after June 1, 2022 and a 1.75% Annual Pay Increment effective the first full pay period after September 1, 2022.

- Non-Represented Merit System staff who are not eligible for the Fiscal Year 2021 Annual Pay Increment because they reached the Top of Grade shall receive a gross bonus of \$412.50 the first full pay period after June 1, 2022 and a gross bonus of \$412.50 the first full pay period after September 1, 2022.

ISSUES FOR CONSIDERATION:

Does the Commission wish to approve the General Wage Adjustments and Annual Pay Increments for the period July 1, 2020 through June 30, 2022?

PRINCIPALS:

Housing Opportunities Commission (HOC)

BUDGET IMPACT:

The estimated cost for non-represented merit system staff for the period of July 1, 2020 through June 30, 2022 is \$637,090.

TIME FRAME:

For Commission action on May 4, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends approval of the General Wage Adjustments and Annual Pay Increments for Non-Represented Merit System Staff for the period of July 1, 2020 through June 30, 2022.

Resolution No.: 22-30

RE:

Approval of Fiscal Year Wage Adjustments and Annual Pay Increments For Non-Represented Merit System Staff for the Period of July 1, 2020 Through June 30, 2022

WHEREAS, the Commission of Montgomery County (“HOC” or the “Commission”) wishes to award a compensation package for Non-Represented Merit System staff (“Non-Represented Merit Staff”) for the period of July 1, 2020 through June 30, 2022 that is fair, equitable, and consistent with that of represented employees; and

WHEREAS, the Commission proposes the following “FY 2021 and 2022 Compensation Package” for Non-Represented Merit Staff:

1. Effective the first full pay period after January 1, 2022, Non-Represented Merit Staff shall receive a \$1,064.00 General Wage Adjustment.
2. Effective the first full pay period after June 1, 2022, Non-Represented Merit Staff will receive a \$1,684.00 General Wage Adjustment.
3. The minimum and maximum of the Pay Scales for each grade shall be increased commensurate with each General Wage Adjustment.
4. For Fiscal Year 2022, Non-Represented Merit Staff who have been rated as Fully Successful by the effective date shall receive a 3.5% Annual Pay Increment effective the first full pay date after January 1, 2022. Non-Represented Merit Staff who are not Fully Successful the first full pay period after January 1, 2022, shall receive their Fiscal Year 2022 increment when they become Fully Successful. Non-Represented Merit Staff who were not eligible for the Fiscal Year 2022 Annual Pay Increment because they have reached the Top of Grade shall receive an \$825.00 bonus.
5. Non-Represented Merit Staff who have worked at least six months in Fiscal Year 2021 shall receive a 1.75% Annual Pay Increment, effective the first full pay period after June 1, 2022, and a 1.75% Annual Pay Increment effective the first full pay period after September 1, 2022. Non-Represented Merit Staff who are not eligible for the Fiscal Year 2021 increment because they are at Top of Grade shall receive a \$412.50 bonus the first full pay period after June 1, 2022 and a \$412.50 bonus the first full pay period after September 1, 2022.

NOW, THEREFORE, BE IT RESOLVED, that the Housing Opportunities Commission of Montgomery County hereby approves the FY 2021 and 2022 Compensation Package for Non-Represented Merit Staff.

I HEREBY CERTIFY that the foregoing resolution was adopted by the Housing Opportunities Commission at an open meeting conducted on Wednesday, May 4, 2022.

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Patrice Birdsong
Special Assistant to the Commission

APPROVAL TO AMEND HOC'S PERSONNEL POLICY – EXECUTIVE LEADERSHIP SERVICE

May 4, 2022

- HOC has a Personnel Policy that includes Executive Leadership Service (“ELS”) positions, which is designed for employees in executive level positions.
- The ELS currently has two classes at different grade levels.
- In order to broaden the available classification structure and provide increased flexibility, the Commission desires to add a third class.

WHEREAS, in July 2006, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) amended its Personnel Policy to include Executive Leadership Service (“ELS”), which applies to employees in senior level positions who develop and implement policy, manage a significant number of employees, and carry out programs and services; and

WHEREAS, ELS was developed to increase accountability, provide organizational flexibility, acknowledge excellence in performance, and improve the Commission’s ability to attract high performing executives; and

WHEREAS, ELS was established with two (2) occupational classes at different grade levels allowing for performance based pay, flexible administrative components, and a broad classification structure; and

WHEREAS, the Commission desires to establish a third occupational class at a different grade level to further broaden the ELS classification structure while continuing to provide performance based pay and flexible administration.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes a third occupational class with its own grade level in the ELS and amends Chapter 2000, Section 2020 of the Personnel Policy as follows:

2020 - Classification. For ELS, there shall be ~~two (2)~~ **three (3)** occupational classes. Each class shall have a generic job specification which defines the scope, complexity of work and delegation of authority to be established in the discretion of the Executive Director. A job title for a position in the ELS may be different than the classification. Job classifications with the “EX” designation shall be included in the ELS. The number of positions within ELS may be adjusted from time to time in the discretion of the Commission. An ELS employee may be transferred to another ELS position within the same pay tier in the discretion of the Executive Director.

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

I HEREBY CERTIFY that the foregoing Resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting on May 4, 2022.

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Patrice M. Birdsong
Special Assistant to the Commission

Committee Reports and Recommendations for Action

Development and Finance Committee

The Metropolitan: Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments

May 4, 2022

- The Metropolitan Apartments (the “Property”) was constructed in 1997 as a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units.
- The Property is built above the Montgomery County-owned Metropolitan Public Parking Garage 49 (the “County Garage”) and legal title is structured as an air rights condominium.
- On February 2, 2022, pursuant to HOC’s procurement policy, the Commission approved the non-competitive procurement of Smislova Kehnemiu & Associates, P.A. (“SK&A”) to perform Structural Engineer Services at the Property.
- SK&A pre-qualified concrete and waterproofing repair contractors to submit bids and to serve as the primary contractor for the Property.
- SK&A has conducted a review and analysis of the bids for repair work from Concrete Projection & Restoration, Inc., The C.A. Lindman Inc., and Contracting Specialists, Incorporated (“CSI”).
- Based on SK&A’s review of the submitted proposals and project completion time, SK&A advises awarding a contract for the green roof repair work to CSI because of their overall experience, lower bid price, and faster completion schedule.
- The Development and Finance Committee discussed this item at its meeting on April 22, 2022, and staff recommends, with the support of the Development and Finance Committee, the Commission’s approval to select Contracting Specialists, Incorporated as the Waterproofing Contractor for the repair of the green roof at the Property.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Kayrine Brown, Acting Executive Director

FROM: Division: Real Estate
Staff: Zachary Marks, Chief Real Estate Officer Ext. 9613
Marcus Ervin, Director of Development Ext. 9752
Hyunsuk Choi, Housing Acquisition Manager Ext. 9762
Paul Vinciguerra, Construction Manager Ext. 9715

RE: **The Metropolitan:** Emergency Procurement to Select Contracting Specialists, Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments

DATE: May 4, 2022

STATUS: Committee Report Deliberation X

OVERALL GOAL & OBJECTIVE:

Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments.

BACKGROUND:

The Metropolitan Apartments (the “Property”), constructed in 1997, is a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units.

The Property is built above the Montgomery County-owned Metropolitan Public Parking Garage 49 (the “County Garage”) and legal title is structured as an air rights condominium.

The Commission approved the selection of Miner Feinstein Architects (“MFA”) as architect for the design services for the rehabilitation of the Property. MFA engaged with Smislova, Kehnemui & Associates, P.A (“SK&A”) as Structural Engineers as part of the design team. SK&A’s original scope of work under MFA’s engagement includes evaluation of the green roof; which, while located on top of the parking garage, is related to the Property’s residential use. Had this not been elevated by the County on an emergency status, it would have been addressed as part of the evaluation of the Property in preparation for the planned rehabilitation work.



The Property has the green roof above the apartment parking spaces and the plaza level structural slabs, both of which exhibit signs of moisture intrusion. The County informed HOC staff that this has caused

corrosion of the steel reinforcement of the concrete structural slabs, beams, and foundation walls. The Southeast corner of the facility experiences flooding with significant rain events. This includes water intrusion into the County Garage's elevator shafts, resulting in elevator outage.

On February 2, 2022, the Commission approved the selection of SK&A as Structural Engineers to complete a plan for repair and evaluation of waterproofing services contractor for the Green Roof at the Property and approved the use of \$243,000 to complete the bidding and award process for the waterproofing contractor and any other additional necessary consultants.



Design and Bidding

The staff submitted the building permit for repair of the Green Roof to the Department of Permitting Service (the "DPS") on March 28, 2022, and it will be available in order to begin the repairs by July 2022.

SK&A has conducted a review and analysis of the bids for repair work from Concrete Projection & Restoration, Inc. ("CP&R"), The C.A. Lindman Inc. ("CAL"), and Contracting Specialists, Incorporated ("CSI").

As part of the bid process, SK&A pre-qualified concrete and waterproofing repair contractors to submit bids and serve as the primary contractor for the Property. Additionally, each of these contractors were required to complete an HOC Works Opportunities Plan, adhere to the Prevailing Wage Determination as required by the Davis-Bacon Act, and allot a minimum of 25% of the subcontracted work to Minority, Female, and Disabled-Owned Businesses.

1. **CP&R** is a concrete repair and waterproofing contractor based in Baltimore, MD with significant experience in large-scale garage and plaza rehabilitation projects in the Washington-Baltimore market. Originally founded in 1996, some of their relevant project experience include the completion of a major plaza renovation project with SK&A and the Montgomery County Department of General Services at the Executive Office Building in Rockville.
2. **CLA**, based in Jessup, MD, represents a group of companies known as The C.A. Lindman Companies and possesses significant experience in historic structures and concrete, masonry, stucco, and waterproofing repairs. Originally founded in 1990, some of their relevant project experience include completion of a major plaza renovation project at the Sheraton Hotel in McLean, VA and The Regency at McLean Condominium in McLean, VA.
3. **CSI** is based in Attleboro, MA, with a regional office in College Park, MD. CSI is experienced in structural stabilization, concrete repair, masonry restoration, and waterproofing repairs. Originally founded in 1996, some of their relevant project experience include significant site and structural stabilization repairs at Cedar Lane Medical Center in Bethesda, MD with SK&A, and concrete repairs at Kennedy Center for the Performing Arts in Washington D.C., Lake Barcroft Dam in Falls Church, VA, and World Trade Center Baltimore in Baltimore, as well as large scale comprehensive parking garage structural repairs and waterproofing at Virginia Commonwealth University in Richmond, VA. Additionally, some of their relevant projects experience include work

in Massachusetts and Florida for Boston Convention Center, Gillette Stadium (New England Patriots), Massachusetts General Hospital, and Miami International Airport.

Based on SK&A’s review of the submitted proposals and project completion time, SK&A advises awarding a contract for construction to CSI because of their overall experience, lower bid price and faster completion schedule, when compared to the other two (2) bids, which were received.

CSI’s overall bid price was significantly less than the other two (2) bids that were submitted and their overall project schedule of 55 weeks (mobilization + completion time) was also more favorable. In order to ensure that CSI’s bid did not contain any mistakes or significant misunderstanding of scope items, SK&A performed a line-by-line review of their submitted bid, which did not reveal any glaring mistakes or misunderstandings of the project scope. Finally, SK&A has had discussions with each of the three (3) responsive bidders and learned that both CAL and CP&R are currently oversubscribed, and did not aggressively price this bid. CSI indicated that they did aggressively price this bid and have labor ready and capable to perform the project, beginning this summer.

Bid Summary	C.A Lindman, Inc	Contracting Specialists, Incorporated	Concrete Projection & Restoration
Total Costs	\$8,302,340	\$4,499,450	\$8,755,880
Mobilization Time	20 days	21 days	21 days
Completion Time	80 Weeks	52 Weeks	65 Weeks

Staff requests the authorization of the Acting Executive Director to negotiate and execute the waterproofing contractor contract with Contracting Specialists Incorporated for an amount not to exceed \$4,499,450. Staff further requests funding for a contingency of \$450,000 for unforeseen conditions during completion of the work.

Funding

The Property is responsible for the cost to repair the green roof, which would be paid by existing property cash from the Metropolitan. To assist, staff was notified by Montgomery Delegate Marc Korman that through his efforts, the State Capital budget includes two separate allocations to repair the green roof and end the leaking that damaged the County garage elevator. This funding consists of a miscellaneous grant for \$1,250,000 and a Legislative Bond Initiative for \$350,000 making a total of \$1.6 million available. If the total cost exceeds the existing cash available plus the grant funds of \$1.6 million, cash flow generated in FY 2023 prior to closing will pay the balance.

The total cost for completing the replacement of the green roof is \$5,192,450.

Specialty	Firm	Commission Approval	Cost
Structural Engineer	Smislova, Kehnemui & Associates, P.A	2/2/2022	\$243,000
Waterproofing Contractor	Contracting Specialists, Inc.	5/4/2022	\$4,499,450
Contingency	HOC - Contingency	5/4/2022	\$450,000
		Total	\$5,192,450

Summary of past approvals for the Metropolitan

Date	Res.	Description
9-Sep-20	20-65	Approval of Feasibility Funding for the Financing and Renovation of The Metropolitan and Authorization to Make loans to The Metropolitan of Bethesda Limited Partnership and The Metropolitan Development Corporation
9-Sep-20	20-004 _{ME}	Approval of Metropolitan Development Corporation (the “Corporation”) to Accept a Loan from the Opportunity Housing Reserve Fund for Feasibility Funding to Explore the Refinancing and Renovation of Units Owned by the Corporation
13-Jan-21	21-10	Approval to Select Miner Feinstein Architects, Authorization for the Executive Director to Negotiate and Execute a Contract for the Renovation of The Metropolitan Apartments and Authorization to Make Loans to Metropolitan Bethesda Limited Partnership and Metropolitan Development Corporation
13-Jan-21	21-001 _{ME}	Approval by Metropolitan Development Corporation to Accept the Selection Miner Feinstein Architects as Architect and Accept a Loan from the Opportunity Housing Reserve Fund for Architectural and Interior Design Services for the Predevelopment Phase of the Rehabilitation
2-Feb-22	22-13	Emergency Procurement to Select Smislova, Kehnemui & Associates, P.A as Structural Engineers to Complete a Plan for Repair and Evaluation of a Waterproofing Services Contractor for the Green Roof at Metropolitan Apartments

ISSUES FOR CONSIDERATION:

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

1. Approve the Selection of Contracting Specialists Incorporated (“CSI”) as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments?
2. Authorize the Acting Executive Director to negotiate and execute the Waterproofing Contractor contract with Contracting Specialists Incorporated for an amount not to exceed \$4,499,450?
3. Approve a project contingency of \$450,000?
4. Accept two separate allocations in the State of Maryland Capital budget (i) a miscellaneous grant for \$1,250,000, and (ii) a Legislative Bond Initiative for \$350,000, totaling \$1.6 million?
5. Authorize the funding of the repairs and contingency by Metropolitan Development Corporation and an appropriation by the State of Maryland in its Capital Budget?

PRINCIPALS:

Housing Opportunities Commission of Montgomery County
 The Metropolitan of Bethesda Limited Partnership
 The Metropolitan Development Corporation
 Montgomery County
 SK&A
 Contracting Specialists Incorporated

BUDGET IMPACT:

Since the actual work is not anticipated to begin before July 1, 2022, there is no impact on the Agency’s

FY 2022 operating budget. Staff will incorporate any anticipated impact to the FY 2023 operating budget into the budget that will be presented at the June 8, 2022 Commission meeting for adoption.

TIME FRAME:

For formal Commission action on May 4, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission:

1. Approve the Selection of Contracting Specialists Incorporated (“CSI”) as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments;
2. Authorize the Acting Executive Director to negotiate and execute the Waterproofing Contractor contract with Contracting Specialists Incorporated for an amount not to exceed \$4,499,450;
3. Approve a project contingency of \$450,000;
4. Accept two separate allocations in the State of Maryland Capital budget (i) a miscellaneous grant for \$1,250,000, and (ii) a Legislative Bond Initiative for \$350,000, totaling \$1.6 million; and
5. Authorize the funding of the repairs and contingency by Metropolitan Development Corporation and an appropriation by the State of Maryland in its Capital Budget.

WHEREAS, The Metropolitan Apartments (“the “Property”) was constructed in 1997 as a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units; and

WHEREAS, the Property is owned by The Metropolitan of Bethesda Limited Partnership (the “Metropolitan LP”), which is wholly owned by the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”), and The Metropolitan Development Corporation (the “Metropolitan Corporation”), which is wholly controlled by HOC; and

WHEREAS, the Property has a green roof plaza and testing has revealed ineffective drainage beneath the paved area of the plaza, which needs to be remediated immediately in order to prevent more extensive and expensive damage to the Property; and

WHEREAS, on February 2, 2022, the Commission approved selecting Smislova, Kehnemui & Associates, P.A (“SK&A”) to (i) complete a plan for the necessary repairs, (ii) to evaluate proposals for the selection of a waterproofing services contractor, and (iii) to perform construction management services; and

WHEREAS, SK&A has conducted a review and analysis of the bids for the waterproofing services contractor from (1) Concrete Projection & Restoration, Inc., (2) The C.A. Lindman Inc., and (3) Contracting Specialists, Incorporated (“CSI”); and

WHEREAS, based on SK&A’s review of the submitted proposals and project completion time, SK&A advises awarding a contract for waterproofing construction services to CSI in an amount not to exceed \$4,499,450 because of their overall experience, lower bid price, and faster completion schedule; and

WHEREAS, staff recommends including a contingency in the amount of \$450,000 to account for unforeseen conditions during completion of the work, which makes the total cost for the waterproofing construction \$5,192,450 (the “Waterproofing Budget”); and

WHEREAS, staff was notified by a Montgomery County Delegate that the State Capital budget includes two separate allocations that are available to repair the green roof plaza: (1) a miscellaneous grant for \$1,250,000, and (2) a Legislative Bond Initiative for \$350,000, for a total of \$1.6 million (“State Capital Contribution”); and

WHEREAS, the Waterproofing Budget will be funded by the State Capital Contribution and the Metropolitan Corporation operations (“Waterproofing Funding Sources”), provided that if the total cost exceeds the Waterproofing Funding Sources, cash flow generated by the Metropolitan Corporation in Fiscal Year 2023 will pay the balance; and

WHEREAS, the Commission currently intends and reasonably expects to participate in tax-exempt borrowings to finance such capital expenditures in an amount not to exceed \$100,000,000, *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 project is placed in service (but in no event more than three years after the date of the original expenditure of such moneys); and

WHEREAS, HOC will continue to evaluate its options for construction and permanent financing, which may include the issuance of tax-exempt governmental bonds or such other tax-exempt bonds that are permissible under provisions of the Internal Revenue Code, the proceeds of which would fund a permanent mortgage that would be insured by FHA in accordance with the Risk Share mortgage program; 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 that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, approves the selection of CSI as the Waterproofing Contractor for the repair of the green roof at the Property.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, authorizes the Acting Executive Director, or her designee, to negotiate and execute a contract with CSI for an amount not to exceed \$4,499,450.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, approves a project contingency of \$450,000.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, (1) accepts the State Capital Contribution, and (2) authorizes the appropriation of the State Capital Contribution by the State of Maryland in its Capital Budget.

BE IT FURTHER RESOLVED THAT:

Section 1. Declaration of Official Intent. The Commission presently intends and reasonably expects to finance costs related to the predevelopment, development, and equipping of the Property, with moneys currently contained in its Opportunity Housing Reserve Fund, and General Fund Property Reserve Account, County Revolving Fund accounts, and any other funds of the Commission so designated for use by the Commission.

Section 2. Dates of Capital Expenditures. 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).

Section 3. Issuance of Bonds or Notes. The Commission presently intends and reasonably expects to participate in tax-exempt borrowings of which proceeds in an amount not to exceed \$100,000,000 will be applied to reimburse the Commission for its expenditures in connection with the

project.

Section 4. Confirmation of Prior Acts. All prior acts and doings of the officials, agents and employees of the Commission, which are in conformity with the purpose and intent of this Resolution, and in furtherance of the Property, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 5. Repeal of Inconsistent Resolutions. All other resolutions of the Commission, or parts of resolutions related to the Property which are inconsistent with this Resolution are hereby repealed to the extent of such inconsistency.

Section 6. Effective Date of Resolution. This Resolution shall take effect immediately upon its passage.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting on behalf of itself on behalf of the Metropolitan LP, as its general partner, authorizes and directs the Acting Executive Director, or her designee, without further action on their respective parts, 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 May 4, 2022.

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Patrice M. Birdsong
Special Assistant to the Commission

HOC HEADQUARTERS: APPROVAL OF CONSTRUCTION MANAGER SELECTION AND REVISED 2022 PREDEVELOPMENT BUDGET AND FUNDING INSTALLMENT

RELOCATING 10400 DETRICK TO PURPOSE-BUILT HQ



KAYRINE BROWN, ACTING EXECUTIVE DIRECTOR

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

May 4, 2022

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Executive Summary

The Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission"), a public body subject to the statutory provisions for mandatory referral review under Sections 20-301, et. of the Land Use Article of the Maryland Code (2012, as amended), is planning to construct its new headquarters office building ("Building" or "HOC HQ") at the southeast corner of the intersection of Second Avenue and Fenwick Lane in Downtown Silver Spring.

The proposed nine (9) story building is designed with the top floor as a +/- 3,500 square feet amenity floor for all building occupants. The main entrance to the lobby is at the corner of Fenwick Lane & Second Avenue. The allowable building mass is sculpted multiple times to respond to surrounding conditions as described in more detail below. While allowed to reach 145 feet, the overall building height is set to be approximately 132 feet. Even then, the top level reaching 132 feet is a partial floor to further reduce the building height and mass for views from the street and the surrounding buildings. On April 3, 2019, HOC authorized the Executive Director to execute a Development Agreement and Ground Lease with Promark for the joint development of Property, engaged Design Collective, Inc. for architectural services to design and entitle, and administer construction for the HOC HQ, and subsequently on May 6, 2020, approved pursuing site development approval for the New HQ under Mandatory Referral.

On August 7, 2020, the first application of the two-step Mandatory Referral process, the Location Review Application, was submitted to Montgomery County Planning Board and on November 12, 2020, it was unanimously approved. Subsequently, the Mandatory Referral Site Design and Architecture Application was approved on April 15, 2021 and the Administrative Subdivision Plan was approved on May 17, 2021.

Currently, the design team has completed Construction Development documents, and is poised to submit for Building Permits, with the goal of finalizing permitting and starting construction in early 2023. Additional funding prior to closing in an amount of \$2,112,456 is required to cover expenses expected during the predevelopment period including the costs associated with a third-party construction manager.

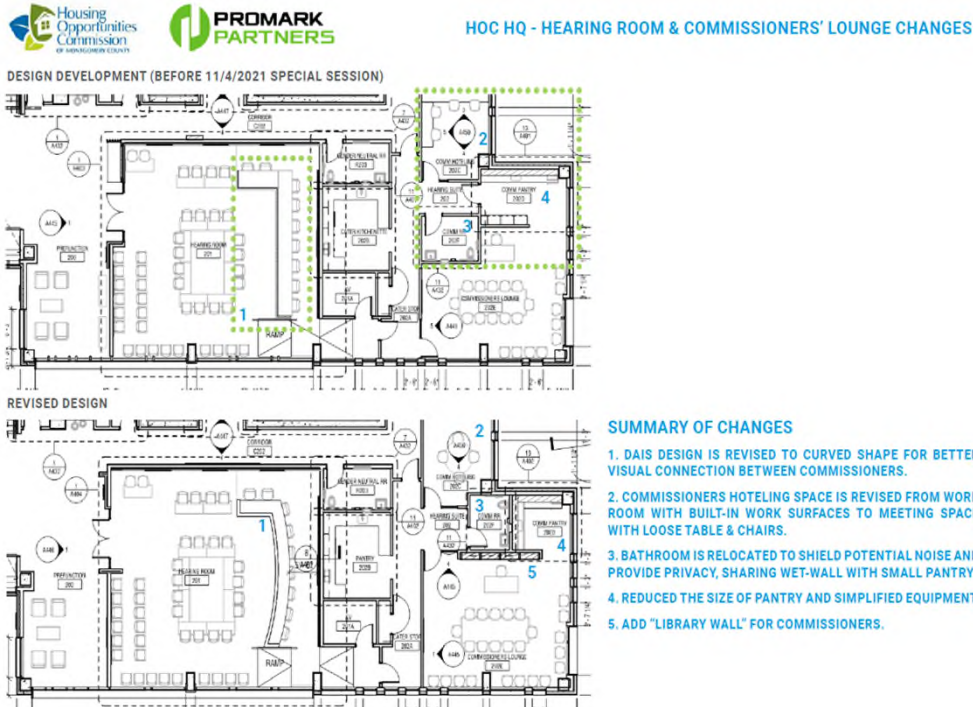


Design – Commission Input

On November 3, 2021 at a regular meeting of the Commission, HOC staff presented to the Board of Commissioners a comprehensive design update for the proposed nine-story downtown Silver Spring Headquarters (“HQ”). The presentation included details such as the exterior design elements, building program with department & floor designation, lobby design, and accessibility and circulation within the building and surrounding the site. Following the meeting, Staff coordinated with the design and development team including the project architect, Design Collective and development partner, Promark Partners to review and address Commissioner’s comments, which primarily focused on the layout and circulation within the Hearing Room and Commissioner’s Lounge areas.

A summary of the before and after design changes is provided below along with an illustration for visual reference. The changes included the following:

- **Dais design revision** to a curved shape for better visual connection and interaction between the Commissioners;
- Revision to the **Commissioners Hoteling Space** from a Work Room with built-in work surfaces to a Meeting Space with flexible tables & chairs.;
- The **bathroom within the Commissioner’s Lounge** space has been relocated to shield potential noise and provide privacy by sharing an adjacent wet-wall with a small pantry.
- The **Commission Pantry size** was reduced in size with simplified equipment; and
- Added a “**Library Wall**” within the Commissioner’s Lounge for storage of collateral and historical materials.



Subsequent to this discussion, on March 9, 2022, Commissioners inquired of the status of lockable gender neutral bathrooms in public spaces in anticipation of a new law that is under consideration.

Level 1: Gender specific/grouped bathrooms, with 3 stalls available for each.

Level 2:

- (1) **Gender neutral bathroom accessible for public**
- (1) **Gender neutral** within commissioner’s suit
- Gender specific/grouped bathrooms

Level 3:

- Two (2) **single use bathrooms** with shower (if someone bikes to work and needs a shower)
- Gender specific/grouped bathrooms

Level 4 through 7: Gender specific/grouped bathrooms, with 3 stalls available for each.

Level 8:

- One (1) **gender neutral bathroom near situation room**
- Gender specific/grouped bathrooms

Level 9:

- Four (4) **single use bathrooms**, however these will be **marked w/ man’s & woman’s** due to current code requirements.

Development Budget – Overall

HOC HQ: DEVELOPMENT BUDGET SUMMARY

	Total Predevelopment	Total during Construction	Total (\$)	Per GSF 82,220	10/25/2021	Change
HARD COSTS						0
CONSTRUCTION						0
Total CONSTRUCTION	-	36,384,475	36,384,475	442.53	33,196,195	3,188,280
Total OFF-SITE WORK	-	500,000	500,000	6.08	1,000,000	(500,000)
Total UTILITY FEES	963,541	25,000	988,541	12.02	953,541	35,000
Hard Cost Contingency	-	2,272,381	2,272,381	27.64	2,108,984	163,397
Hard Cost Escalation	-	3,029,841	3,029,841	36.85	1,054,492	1,975,349
TOTAL HARD COSTS	963,541	42,211,697	43,175,238	525.12	38,313,212	4,862,026
SOFT COSTS						0
Total ARCHITECTURAL & ENGINEERING, CONSULTANTS	2,130,125	340,000	2,470,125	30.04	2,314,156	155,969
Total PERMITS & FEES	1,051,189	30,000	1,081,189	13.15	1,072,633	8,556
Total INSPECTIONS & TESTING	-	400,000	400,000	4.86	150,000	250,000
Total MARKETING	-	-	-	-	-	-
Total OTHER SOFT COSTS - CONSTRUCTION MANAGER ("CM")	60,000	390,000	450,000	5.47	350,000	100,000
Total LEGAL	360,000	-	360,000	4.38	325,000	35,000
Total GENERAL & ADMINISTRATIVE	421	9,579	10,000	0.12	10,000	-
Total INSURANCE	190,000	10,000	200,000	2.43	180,000	20,000
Total TAXES DURING CONSTRUCTION	-	180,909	180,909	2.20	160,209	20,700
Soft Cost Contingency	185,480	123,653	309,133	3.76	273,720	35,413
Total Soft Costs Before Development Fee	3,977,215	1,484,142	5,461,357	66.42	4,835,718	625,639
Development Fee	-	2,431,830	2,431,830	29.58	2,157,447	274,383
TOTAL SOFT COSTS BEFORE FINANCING	3,977,215	3,915,972	7,893,187	96.00	6,993,165	900,022
TOTAL DEVELOPMENT COSTS BEFORE FINANCING	4,990,756	46,127,669	51,118,425	621.73	46,263,434	4,854,991
FINANCING COSTS						-
TOTAL FINANCING COSTS	30,000	1,839,145	1,869,145	22.73	1,669,220	199,925
TOTAL DEVELOPMENT COSTS	5,020,756	47,966,814	52,987,570	644.46	47,932,654	5,054,916

- Projected total cost of \$52,987,570 will be funded from governmental bonds whose debt service will be an operating cost to the agency.
- Hard Cost Increases are a result of refined design development, increased material and labor factors and greater allowances for contingencies.
- Soft Cost increases are primarily driven by permits and fees requirements and higher CM service costs.
- Financing Cost increases are expectations for higher interest rates in the calculations.

Predevelopment Budget – Hard Costs

HOC HQ: DEVELOPMENT BUDGET SUMMARY

	<i>Total Predevelopment</i>	<i>Total during Construction</i>	<i>Total (\$)</i>	<i>Per GSF</i>
HARD COSTS				
CONSTRUCTION				
Base Building & Site Work, including Tenant Fit-out	-	33,049,480	33,049,480	401.96
Tenant Fit-out	-	-	-	-
Below Grade Parking	-	-	-	-
Equipment - Low Voltage	-	850,000	850,000	10.34
FF&E	-	2,150,000	2,150,000	26.15
FF&E - Artwork	-	184,995	184,995	2.25
Signage (outside GC contract)	-	150,000	150,000	1.82
Garage 7 Solar Project	-	-	-	-
HazMat Abatement	-	-	-	-
Total CONSTRUCTION	-	36,384,475	36,384,475	442.53
Total OFF-SITE WORK	-	500,000	500,000	6.08
Total UTILITY FEES	963,541	25,000	988,541	12.02
Hard Cost Contingency	-	2,272,381	2,272,381	27.64
Hard Cost Escalation	-	3,029,841	3,029,841	36.85
TOTAL HARD COSTS	963,541	42,211,697	43,175,238	525.12

- The current budget has been refined based upon current design considerations and material price escalations, which will be further vetted by the third-party CM prior to the General Contractor solicitation. The approximate \$43.175 million of total hard costs include both a hard cost contingency of 6% and hard cost escalation of 8% to account for creep in construction pricing. The triangle parcel is an additional County acquisition being negotiated with the County.
- The original base construction hard cost estimate of \$23MM in 2018 was a rough order of magnitude (“ROM”) budget that did not account for an actual conceptual design, material cost increases, nor was the design team fully on-board. The current budget, represents a closer estimate as it has evolved with the progression of the design documents and development program; however, further refinement will be undertaken to prior to presentation of approval of the final development plan and plan of finance.

Predevelopment Budget – Soft Costs

HOC HQ: DEVELOPMENT BUDGET SUMMARY

	<i>Total Predevelopment</i>	<i>Total during Construction</i>	<i>Total (\$)</i>	<i>Per GSF</i>
SOFT COSTS				
Total ARCHITECTURAL & ENGINEERING, CONSULTANTS	2,130,125	340,000	2,470,125	30.04
Total PERMITS & FEES	1,051,189	30,000	1,081,189	13.15
Total INSPECTIONS & TESTING	-	400,000	400,000	4.86
Total MARKETING	-	-	-	-
Total OTHER SOFT COSTS - CONSTRUCTION MANAGER	60,000	390,000	450,000	5.47
Total LEGAL	360,000	-	360,000	4.38
Total GENERAL & ADMINISTRATIVE	421	9,579	10,000	0.12
Total INSURANCE	190,000	10,000	200,000	2.43
Total TAXES DURING CONSTRUCTION	-	180,909	180,909	2.20
Soft Cost Contingency	185,480	123,653	309,133	3.76
Total Soft Costs Before Development Fee	3,977,215	1,484,142	5,461,357	66.42
Development Fee	-	2,431,830	2,431,830	29.58
TOTAL SOFT COSTS BEFORE FINANCING	3,977,215	3,915,972	7,893,187	96.00
FINANCING COSTS				
TOTAL FINANCING COSTS	30,000	1,839,145	1,869,145	22.73



- Soft Costs are inclusive of Design, Engineering, Inspections/Testing, Legal and Insurance. The Developer Fee of 5% is payable to Promark in conjunction with the Development Services Agreement.
- Soft Cost Contingency is 6% of Soft Costs excluding development fees.
- Following completion of the Construction Documents and submittal for permit (est. April 15, 2022), an RFP will be released for solicitation of a General Contractor to obtain updated and real-time pricing prior to approval of the Final Development Plan and Final Finance Plan in late 2022.

Predevelopment Budget – Funding Request

SOURCES		Uses in FY 2022							
Resolutions	Source	Uses From Inception to Current	1Q22	2Q22	3Q22	4Q22	2022 Budget Totals	Total Funds Approved	Additional Predev Funds Req.
Res 18-69AS	\$60M RELOC	\$264,500					\$0	\$264,500	
Res 19-45AS-2	\$60M RELOC	\$1,100,000					\$0	\$1,100,000	
Res 20-37	\$60M RELOC	\$793,800					\$0	\$793,800	
Res 21-19b	\$60M RELOC	\$750,000					\$0	\$750,000	
Res 22-XX (Tbd)	\$60M RELOC		\$350,000	\$350,000	\$450,000	\$962,456	\$2,112,456	\$0	\$2,112,456
Total Pre-Dev Funding to date		\$2,908,300	\$350,000	\$350,000	\$450,000	\$962,456	\$2,112,456	\$2,908,300	\$5,020,756

Summary of Predevelopment Funding

- Total preconstruction and development costs (“Predevelopment Costs”) are projected to total \$5,020,756 prior to construction financing closing, and as partially illustrated on the previous slides include the following: \$50,000 in Studies (All geotechnical, environmental, etc. in ground lease due diligence), \$963,541 in Hard Costs (utility pre-connection fees), \$3,977,215 in Soft Costs (primarily design, permit fees, inspections and construction management fees) and \$30,000 in Financing Costs (which during Predevelopment are HOC Line of Credit Interest Payments (pre-financing)).
- Approvals to-date sum to \$2,908,300 (Res. 18-69AS, 19-45AS-2, 20-37, 21-19b)
- The total additional funding required to Close is therefore \$2,112,456, and herein formally requested.

Construction Manager RFP and Selection

HOC's Procurement Office issued a Request for Proposal (RFP #2312) for construction management services for HOC Headquarters in accordance with HOC's Procurement Policy. RFP #2312 was released on February 22, 2022 with a due date of March 23, 2022. The RFP was posted to HOC's website and distributed to more than 300 vendors registered in the Central Vendor Registration System (CVRS). A pre-proposal meeting and conference was held virtually on March 2, 2022. Nine firms attended the pre-bid conference.

The scope of work outlined in RFP #2312 included seven (7) months of preconstruction phase services, 23 months of construction phase services and three (3) months of close out services. The scoring team currently consists of staff from Risk Management, Asset Management, and Real Estate divisions, as well as a ProMark representative (together, the "CM Scoring Team") who reviewed the responses on April 13, 2022. Proposals were scored on the following four (4) evaluation criteria. The maximum points a proposal could receive is 100.

Qualifications (Maximum 50 Points)	Additional MFD Participation (Maximum 10 Points)	References (Maximum 10 Points)	Price (Maximum 30 Points)
<p>Demonstrated experience with projects involving: i) high-rise commercial, ii) achieving energy standards beyond code requirements, iii) high performance construction standards and certifications, iv) experience in Montgomery County and the surrounding area.</p>	<p>MFD participation above the minimum requirement of 25% of contracts for subcontract work and/or supplies (based on total contract value). Range of scoring will be from 0 to 10 points. Respondents who meet the MFD subcontracting minimum requirement (i.e., 25%) will score zero (0) points. Respondents subcontracting 25 – 30% will receive 5 points, and respondents subcontracting 30% or above will receive 10 points.</p>	<p>Reference checks were conducted to evaluate and verify past performance regarding ability for on-time completion and change order management.</p>	<p>Range of Values will be from 0 to 30. Lowest Price will score thirty percent (30%) and the highest price will score zero percent (0%).</p>

Construction Manager RFP and Selection - Bidders

HOC received four (4) responsive proposals in response to RFP# 2312 by the proposal deadline on March 23, 2022 at 12:00 pm and are listed below.

MLG Construction Management (“MLG”)

MLG was founded on the common principle that successful projects are by-products of experienced and knowledgeable oversight. Their services include: development management, pre-construction coordination, and construction management and projects range from office to multifamily uses.



Jones Lang LaSalle Incorporated (“JLL”)

A member of the Fortune 500, JLL is a leading professional services firm that specializes in real estate and investment management. JLL provides a full range of leasing, capital markets, integrated property and facility management, project management, advisory, consulting, valuations and digital solutions services locally, regionally and globally. JLL has served as a CM for Elizabeth House III for HOC. JLL proposed utilizing JDC as a primary subcontractor. JDC is a registered MFD firm that has worked on numerous HOC projects, including but not limited to: Willow Manor, Westside Shady Grove, and Fenton Silver Spring.



Owner Rep Consulting (“Owner Rep”)

Owner Rep Consulting offers consulting, management and advocacy services for clients and customers seeking to develop and build. The company recognizes and translates the Owner’s needs, and combines those needs with the talents of the Project Team. With leadership and experience, Owner Rep Consulting facilitates a professional synergy among design, construction and other support entities of the project. Owner Rep has served as a CM for Bauer Park, Shady Grove, and Georgian Court for HOC.



The Aegis Companies (“Aegis”)

Founded in 2007, with a mission of keeping construction projects on time, on budget with the highest quality. Their projects range from office to multifamily uses. The firm is based in Silver Spring and has four other offices across the country and one internationally. Aegis provided schedule management services on EHIII.



Construction Manager RFP and Selection - Scoring

JLL has the highest score at 90 points. Scores below reflect the average of the individual scores from each member of the CM Scoring Committee. The results of the CM Scoring Committee are summarized below.

Rank	Construction Manager	Qualifications (Maximum 50 Points)	Additional MFD Participation (Maximum 10 Points)	References (Maximum 10 Points)	Price (Maximum 30 Points)	Total (Maximum 100 Points)
1	JLL	50	10	10	20	90
2	Owner Rep	33	10	10	30	83
3	Aegis	46	10	9	0	65
4	MLG	37	5	10	10	62

Qualifications:

- JLL's proposal included predominantly high-rise new construction commercial projects within the area and with energy goals beyond code, which resulted in the highest score. Aegis was the only other respondent with a similar level of experience.

MFD Participation:

- JLL's subcontractor plan included 30% MFD participation.
- Owner Rep's included 31% MFD participation, Aegis included 30% MFD participation, and MLG included 26% MFD participation.

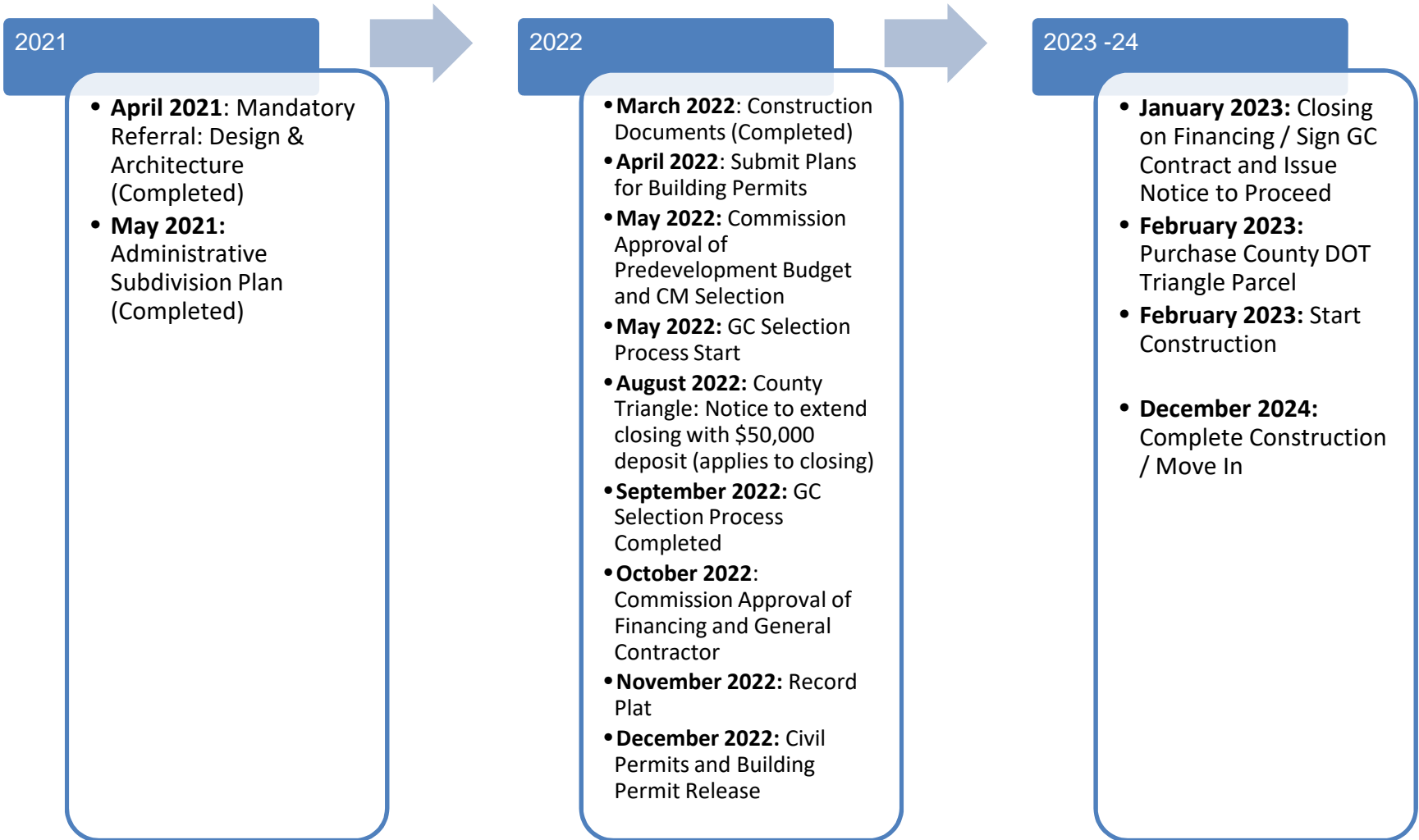
References:

- HOC has experience with JLL and their proposed subcontractor JDC on Fenton Silver Spring and Westside Shady Grove. The references also spoke highly of JLL's experience with commercial projects.
- Owner's Rep has experience with HOC renovation projects including, Bauer Park, Georgian Court, and Shady Grove. Aegis and MLG received good references.

Price:

- JLL's cost was the 2nd lowest at \$443,000.00
- Owner Rep: \$370,552.00 | Aegis: \$1,318,694.45 | MLG: \$548,662.80

Development Timeline



Prior Commission Actions

Prior Commission Actions:

- **RESOLUTION No. 18-69AS**– On September 5, 2018, the Commission approved the Predevelopment Budget in the Amount of \$2,116,000 for the Design and Entitlement of Fenwick & Second; Approval to Draw on the \$60 million PNC Bank, N.A. Line of Credit (the “PNC \$60MM LOC”) to Fund a First Installment of Predevelopment Funding in the Amount of \$264,500.
- **RESOLUTION No.: 19-45AS₁** On April 3, 2019, the Commission approved to Enter into a Ground Lease with Fenwick Silver Spring, LLC and a Development Services Agreement with Promark Development, LLC for the Development and Ownership of HOC’s New Headquarters Building and Approval of the Architect Selected to Complete Design and Construction Management for the Development. The resolution also authorizes the Executive Director to negotiate and enter into a contract with Design Collective, Inc. for architectural services in an amount not to exceed \$1,100,000 from the \$60MM PNC Bank, N.A. Line of Credit.
- **RESOLUTION No. 20-37A** – On May 6, 2020, the Commission approved submission of a Mandatory Referral Application for the New HQ, revised the FY21 predevelopment budget for the New HQ to \$2,650,150, and approved the expenditures for CY20 under a second installment of predevelopment funding for \$793,800.
- **RESOLUTION No. 21-19 (A & B)** – On February 3, 2021, the Commission approved a revised total predevelopment budget of \$2,908,300 for the design and entitlement of the New HQ and the use of the PNC Bank, N.A. Line of Credit as the source to fund the final installment of \$750,000.

Summary and Recommendations

ISSUES FOR CONSIDERATION

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

1. Select JLL as the third-party construction manager for the redevelopment of the Second and Fenwick parcel known as the HOC HQ site and authorize the Acting Executive Director to execute a contract with the firm that obligates HOC only for the pre-construction phase and provides HOC the ability to terminate the contract prior to the construction phase?
2. Approve a revised predevelopment budget of \$5,020,756, up from \$2,908,300 previously approved in 2021, to account for additional softs costs to obtain building permits prior to closing on and affirm the funding of the budget from the PNC \$60MM LOC?
3. Approve 2022 final installment of development budget funding of \$2,112,456 from the Original PNC Bank, N.A. Line of Credit?

BUDGET FISCAL/IMPACT

If approved, draws on the PNC \$60MM LOC will bear interest at the **tax-exempt rate contractual rate**. This will increase the interest expense in the Agency's operating budget by the imputed amount and paid from the Commission's general funds, but will be repaid from proceeds at the closing of the construction financing. The overall fiscal impact is a reduction in the Commission's borrowing capacity by any amount drawn on the PNC lines of credit.

TIME FRAME

For formal action at the May 4, 2022 Meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission approve:

1. Selection of JLL as the third-party construction manager for the redevelopment of the Second and Fenwick parcel known as the HOC HQ site and authorize the Acting Executive Director to execute a contract with the firm that obligates HOC only for the pre-construction phase and provides HOC the ability to terminate the contract prior to the construction phase?
2. A revised predevelopment budget of \$5,020,756, up from \$2,908,300 previously approved in 2021, to account for additional softs costs to obtain building permits prior to closing on and affirm the funding of the budget from the PNC \$60MM LOC;
3. A 2022 final installment of development budget funding of \$2,112,456 from the Original PNC Bank, N.A. Line of Credit.

RESOLUTION No. 22-33a

**RE: Approval of Construction Manager Selection
and Revised 2022 Predevelopment Budget and
Funding Installment**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), has secured three lots located at 1324 and 1328 Fenwick Lane, Silver Spring, MD 20910 as the site of a new headquarters building, projected to be approximately 83,000 gross square feet or the maximum allowed by the current zoning regulations (the “New HQ”); and

WHEREAS, on September 5, 2018, the Commission approved a predevelopment budget in the amount of \$2,116,000 for the initial feasibility design and entitlement of the New HQ and a draw on the \$60 million PNC Bank, N.A. Line of Credit (“PNC LOC”) to fund the first installment of predevelopment funding in the amount of \$264,500; and

WHEREAS, on May 6, 2020, in order to expedite the delivery of the New HQ, reduce overall costs, and minimize development period risk, the Commission approved submitting an application for the two-step process of Mandatory Referral; and

WHEREAS, On February 3, 2021, the Commission approved the submission of the second step of the Mandatory Referral process and a revised total predevelopment budget of \$2,908,300 for the design and entitlement of the New HQ and the use of the PNC LOC as the source to fund the FY22 installment of \$750,000; and

WHEREAS, on May 17, 2021, the Montgomery County Planning Board approved the New HQ Administrative Subdivision Plan Application; and

WHEREAS, costs for calendar year 2022 have been projected and additional predevelopment expenses are expected to escalate due to a combination of refined design development, increased material and labor costs, greater allowances for contingencies, increased costs due to permit and fee requirements, higher construction management service costs, and higher borrowing costs expected at the time of financing; and

WHEREAS, the current revised predevelopment budget for the New HQ is \$5,020,756 and the final installment of \$2,112,456 may be funded from the PNC LOC; and

WHEREAS, the Commission issued a Request for Proposals for construction management services (“RFP #2312”) for the New HQ; and

WHEREAS, Jones Lang LaSalle (“JLL”) received the highest score among respondents to RFP #2312; and

WHEREAS, the Commission desires to select JLL as the construction manager for the New HQ and authorize the Acting Executive Director to execute a contract with JLL (“CM Contract”).

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County approves a revised total predevelopment budget of \$5,020,756 for the design and entitlement of the New HQ and the use of the PNC LOC as the source to fund the final installment of \$2,112,456.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the selection of JLL as the construction manager for the New HQ and authorizes the Acting Executive Director, or her designee, to execute the CM Contract that obligates HOC for only the preconstruction phase and allows HOC the right to terminate the contract prior to construction.

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on May 4, 2022.

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Patrice M. Birdsong
Special Assistant to the Commission

RESOLUTION No. 22-33_b

RE: Approval to Draw on the PNC Bank, N.A. Line of Credit to Fund a Fourth Installment of Predevelopment Funds for HOC's New Headquarters Building

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC" or the "Commission"), has secured three lots located at 1324 and 1328 Fenwick Lane, Silver Spring, MD 20910, as the site of a new headquarters building, projected to be approximately 83,000 gross square feet or the maximum allowed by the current zoning regulations (the "New HQ"); and

WHEREAS, on September 5, 2018, the Commission approved a predevelopment budget in the amount of \$2,116,000 for the initial feasibility design and entitlement of the New HQ and a draw on the \$60 million PNC Bank, N.A. Line of Credit (the "PNC LOC") to fund the first installment of predevelopment funding in the amount of \$264,500; and

WHEREAS, on May 6, 2020, the Commission approved a revised predevelopment budget in the amount of \$2,650,150 and a second installment draw on PNC LOC for predevelopment funding of \$793,800 to cover costs attributable to a required traffic engineering study and permit and application fees for the initial feasibility design and entitlement of the New HQ; and

WHEREAS, costs for calendar year 2022 have been projected and additional predevelopment expenses are expected to escalate due to a combination of refined design development, increased material and labor costs, greater allowances for contingencies, increased costs due to permit and fee requirements, higher construction management service costs, and higher borrowing costs expected at the time of financing; and

WHEREAS, the current revised predevelopment budget for the New HQ is \$5,020,756 and the cost of the fourth installment of predevelopment funding is \$2,112,456; and

WHEREAS, the Commission may make draws on the PNC LOC at a contractual rate based on the London Interbank Offered Rate ("LIBOR") index plus a spread.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes a fourth draw in the amount of \$2,112,456 at the PNC LOC contractual rate, which is based on the 30-day LIBOR plus a spread, to fund a fourth installment of the total predevelopment budget to be repaid, including cost of interest, from the proceeds of the New HQ's construction-period financing, and that this draw shall have a due date that coterminous with the termination date of the PNC LOC, which is currently _____.

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on May 4, 2022.

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Patrice M. Birdsong
Special Assistant to the Commission

BROOKE PARK: AUTHORIZATION TO INCREASE THE CONTRACT VALUE FOR BENNETT FRANK MCCARTHY ARCHITECTS, INC FOR DESIGN AND ENGINEERING WORK PERFORMED DURING RENOVATION

May 5, 2022

- Brooke Park Apartments was acquired in 2013, after Montgomery County Department of Housing and Community Affairs (“DHCA”) exercised its Right of First Refusal and assigned the right to HOC to purchase Brooke Park Apartments to preserve affordable housing units in this location of the county that lacked affordable housing and risked demolition and redevelopment as luxury townhomes for the affluent, and the displacement of 18 low- and moderate-income families.
- DHCA approved and funded a \$5,200,000 HIF loan in 2013 to fund acquisition, entitlement, and some initial development costs. On April 9, 2020, HOC received a letter of commitment from DHCA to fund the remaining \$3,747,829 needed to complete the renovation through a combination of HOME and energy-efficiency improvement related funding (“MEEF”) sources.
- Construction activities started in late 2019 and concluded in October 2021. Throughout the construction process, several issues related to site design, engineering and construction required additional time and services from the project design team. Most of these additional services were related to the changes in the site entitlement process, changes in the design and approvals related to the site retaining wall construction, changes in the design and approvals related to the site storm water facility construction, and other miscellaneous site-related issues that could not be anticipated at the time the architectural and engineering design scope and budget were developed and the contract was signed.
- HOC wishes to execute a change orders for \$19,029 under the existing contract with Bennett Frank McCarthy Architects, Inc. (“BFM”) for architectural, civil engineering, and structural engineering services and other related expenses incurred in connection with the renovation of Brooke Park Apartments. All contract change orders will be funded from the project’s approved development budget.
- This Development and Finance considered this item at its meeting on April 22, 2022 and supports staff’s recommendation that the Commission authorizes and directs the Acting Executive Director to execute an increase to the contract via change order with Bennett Frank McCarthy Architects, Inc.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Kayrine Brown, Acting Executive Director

FROM: Division: Real Estate
Staff: Zachary Marks, Chief Real Estate Officer Ext. 9613
Marcus Ervin, Director of Development Ext. 9752
Gio Kaviladze, Senior Financial Analyst Ext. 9437

RE: **Brooke Park:** Approval for the Acting Executive Director to Execute a Change Order with Bennett Frank McCarthy Architects, Inc.

DATE: May 4, 2022

STATUS: Committee Report Deliberation X

OVERALL GOAL & OBJECTIVE:

To obtain approval for change orders totaling \$19,029 to the architectural and engineering services contract with Bennett Frank McCarthy Architects, Inc. for services performed during the renovation of Brooke Park Apartments.

BACKGROUND:

In 2013, Montgomery County Department of Housing and Community Affairs (“DHCA”) exercised its Right of First Refusal (“ROFR”) and assigned the right to HOC to purchase Brooke Park Apartments. At the time of acquisition, the property was entitled for redevelopment into ten (10) luxury townhome units. HOC underwent a lengthy and costly entitlement process with Montgomery County in amending the Preliminary Plan and revising the Plat to obtain approval to revert to the original seventeen (17) apartment units at the site. The Development entitlement process was completed in 2019 and as a result, all 17 units were required to be designated as Moderately Priced Dwelling units (“MPDUs”) with rent levels at or below 65% of the Washington-Arlington-Alexandria, D.C.-VA.-MD.-W.VA. Metropolitan Statistical Area Median Income (“AMI”).

The renovation of Brooke Park Apartments began in late 2019 and concluded in 2021. The Development included significant site-work activity, excavation, grading and construction of all storm water structures, retaining wall, the pedestrian bridge from the parking area to the accessible units, curbs/gutters, dumpster pad, and installation of site lighting. The retaining wall and storm water facilities required additional design and engineering tasks during the construction process and incurred delays in the construction process.

Several issues related to site design, engineering and construction of the project required additional time and services from the project design team of Bennett Frank McCarthy Architects, Inc. (“BFM”). Most of these additional services were related to the changes in the County’s design and approval process for the site entitlements, retaining wall construction, on-site storm water facilities’ construction, and other miscellaneous site-related issues that could not be anticipated at the time the architectural and engineering design scope and budget were developed, and the contract was signed.

Date	Amount	Description
May 2017	\$200,125	Original contract amount, May 2017
March 2020	\$31,270	Change Order 1: Change of scope for civil engineer: Preliminary Subdivision Plan instead of Mandatory Referral.
March 2021	\$16,000	Change Order 2: Additional design services due to extended project duration and retaining wall design and construction: retaining wall, sanitary connection and other site review and coordination; permit submission and coordination for alternate retaining wall design, additional civil engineering services.
March 2022	\$7,500	Change Order 3: Storm water management facility as constructed survey; field observations of the corrected facility for the purposes of preparing a revised storm water management facility As Constructed Plan.
April 2022	\$11,529	Change Order 4: Additional structural engineer services related to retaining wall design; Additional civil engineer services for driveway permit, traffic control plan, right-of-way permit revisions, public

	meetings and hearings; Architect and civil engineer reimbursable expenses.
\$266,424	Final contract amount

With the inclusion of change orders #3 and #4, the aggregate contract amount requires the approval of the Commission to comply with the provisions of HOC’s Procurement Policy. If approved, this change order would bring the total contract value to \$266,424.

All services rendered during the construction and included in the referenced change order are being funded from the project’s approved development budget. Therefore, these change orders do not require additional Commission resources, and will not in any adverse financial impact to the Commission’s operating budget.

ISSUES FOR CONSIDERATION:

Will the Commission accept staff’s request, which is supported by the Development & Finance Committee, to approve change orders #3 and #4 for Bennett Frank McCarthy Architects, Inc. (“BFM”) for the combined total amount of \$19,029 and authorize the Acting Executive Director to execute the change orders?

BUDGET IMPACT:

There is no impact on the Commission’s FY 2022 or FY 2023 operating budgets. Bennett Frank McCarthy Architects, Inc.’s contract change orders will be funded from the project development budget previously approved by the Commission.

PRINCIPALS:

Bennett Frank McCarthy Architects, Inc.
Housing Opportunities Commission of Montgomery County

TIME FRAME:

For formal action at the May 4, 2022 meeting of the Commission.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission approve change orders #3 and #4 to the Bennett Frank McCarthy Architects, Inc. contract totaling \$19,029, which would bring the aggregate contract amount to \$266,424 and to authorize the Acting Executive Director to execute these change orders.

WHEREAS, in 2013 the Montgomery County Department of Housing and Community Affairs (“DHCA”) exercised its right of first refusal and assigned the right to the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) to purchase Brooke Park Apartments (“the Property”) to preserve affordable housing units in this location of the county that lacked affordable housing and risked demolition and redevelopment as luxury townhomes for the affluent, and the displacement of 18 low- and moderate-income families; and

WHEREAS, DHCA funded an acquisition and development loan of \$5,200,000 at the time of the acquisition and committed to provide additional funding as needed to complete the renovation; and

WHEREAS, in April 2020, DHCA provided a commitment to fund the net funding need of \$3,747,829 through a combination of HOME and energy-efficiency improvement related funding sources; and

WHEREAS, the renovation activities started in 2019, concluded in 2021, and included significant site work that required additional design, engineering and permit approval related services from the project design team lead by Bennett Frank McCarthy Architects, Inc. (“BFM”); and

WHEREAS, staff proposes executing change orders to the existing contract with BFM in the combined amount of Nineteen Thousand and Twenty-Nine Dollars (\$19,029) to compensate BFM for the additional time and services provided during construction.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes and directs the Acting Executive Director, or her designee, without any further action on its part, to execute change orders to the existing BFM contract in the amount of Nineteen Thousand and Twenty-Nine Dollars (\$19,029), to be funded from the Property’s development budget.

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

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on May 4, 2022.

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Patrice M. Birdsong
Special Assistant to the Commission

RESIDENCES ON THE LANE (FORMERLY HOC AT THE UPTON II): APPROVAL FOR THE ACTING EXECUTIVE DIRECTOR TO EXECUTE CHANGE ORDER WITH CFI CONSTRUCTION, INC. TO CONTINUE CONSTRUCTION MANAGEMENT SERVICES AT THE RESIDENCES ON THE LANE DEVELOPMENT

May 4, 2022

Staff are working with CFI Construction, Corp. (“CFI”), Construction Manager for the Commission’s HOC Residences on The Lane (formerly HOC at the Upton II) development in Rockville.

In September 2021, the Commission approved a change order for CFI for \$150,000 for change order with CFI to ensure sustained working knowledge and timely completion of the project.

In December 2021, units began delivering by floor, but was behind schedule overall due to impact of COVID-19 and material, labor shortages, and general contractor scheduling. The ownership inspections required more resources beyond the existing bounds of the change order previously executed.

Leasing has begun and occupancy is increasing in the building, currently at 33.33% occupied as of March 31, 2022. However, punch-list items are still ongoing at the property along with work to the common areas requiring CFI to be engaged until closeout. After 36 months of construction, CFI is uniquely qualified to help staff close out the project at the most efficient cost.

The aggregate contract and change orders for CFI, under its pool contract, stands at \$399,000 and have submitted a change order for \$187,000 to help HOC closeout the project work through September 2022. This additional change requires the Commission’s approval in accordance with the Procurement Policy. Staff is requesting that the Commission approve an amount up to \$200,000 to include a contingency of \$13,000.

If approved by the Commission, this engagement will be \$586,000 over 43 months equating to approximately \$13,750/month for construction management services, costs funded from the Development budget previously approved by the Commission, which includes construction management costs.

Staff discussed this item at the April 22, 2022 meeting of the Development & Finance Committee and recommends the Commission accept staff’s recommendation, which is supported by the Development & Finance Committee to approve up to \$200,000 for change order with CFI to ensure sustained working knowledge and timely completion of the project.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Kayrine Brown, Acting Executive Director

FROM: Division: Real Estate
 Staff: Zachary Marks, Chief Real Estate Officer Ext. 9613
 Marcus Ervin, Director of Development Ext. 9752
 Jay Shepherd, Housing Acquisition Manager Ext. 9437

RE: **Residences on The Lane (formerly HOC at the Upton II):** Approval for the Acting Executive Director to Execute Change Order with CFI Construction, Inc. to Continue Construction Management Services at the **Residences on The Lane** Development

DATE: May 4, 2022

STATUS: Committee Report Deliberation X

OVERALL GOAL & OBJECTIVE:

To approve a Change Order pursuant to which CFI Construction, Inc. (“CFI”) will continue to provide construction management services for the completion of the construction of **Residences on The Lane**.

BACKGROUND:

On October 19, 2019, the Housing Opportunities Commission of Montgomery County (“HOC”) issued Request for Qualifications (“RFQ”) #2153 for Construction Management (“CM”) firms and received five (5) responses. On April 1, 2020, the Commission approved the pool of construction managers consisting of five (5) firms. The CMs in the pool would assist HOC’s staff to ensure the efficient and effective execution of the Commission’s goal of providing safe, high quality, and affordable housing to its residents thereby augmenting HOC’s current staff on new construction of renovation projects and ensuring the delivery of development projects in accordance with Commission approved plans and financing.

On January 9, 2019, HOC approved the Final Development Plan for **Residences on The Lane**. Construction began in March 2019. Solicitations for Construction Management services were procured from the CM Pool and CFI Construction was selected in March 2019 based on providing the most responsive proposal. A summary of the base contract and additional change orders is detailed below.

CFI CONTRACT & CHANGE ORDER SUMMARY	
Base + Owner’s Change Order (“OCO”)	Amount
Base Contract	\$139,500
Change Order (CO) #1- zero cost, time extension.	0
CO #2: No Commission approval required	109,500
CO #3: Approved September 1, 2021 (Resolution #21-85)	132,500
CO #4: Approved September 1, 2021 (Resolution #21-85)	17,500
CO#5 (proposed and herein requested)	187,000
Total	\$586,000

The impact of Covid-19 and the rise of variants in late 2021, along with supply-side constraints in materials and deliveries, more resources were required to keep construction on schedule. Units began delivering in December 2021, three months later than expected, in large part, because of these variables.

CFI provided expert assistance with handling shortages, but at a rate that was greater than expected in September 2021, leading to a faster use of the funds allocated. CFI was expected to manage approximately 75% of the unit owner inspections on behalf of HOC, as they have previously done at previous renovations. However, far greater demands were placed on them to provide nearly 100% of the inspections along with more frequent visits due to multiple site punch walks. Coupled with a longer delivery timeframe, a change order for \$187,000 to CFI is required to cover the closeout needs of the project needs at the most efficient cost. As the project concludes, staff will perform a full evaluation of potential causes for delivery delays as well as opportunities to offset related additional costs.

The aggregate contract for CFI at **Residences on The Lane** is \$399,000 and any change, which exceeds the pool contract limit of \$250,000; requires approval by the Commission in accordance with HOC's Procurement Policy adopted on June 7, 2017. CFI estimates the cost for the additional responsibilities required for timely LIHTC unit delivery to be approximately \$187,000. To safeguard against the possibility of overruns, staff is requesting that the Commission approve an amount up to \$200,000 that will include a \$13,000 or seven percent (7%) contingency for small variations in contracting from any unforeseen issues that could arise before the project is completed. If approved, this change order would bring the total eligible contract value to \$586,000 or \$13,734 per month, which remains very competitive in today's marketplace for the level of construction management services required.

By comparison, the Elizabeth House III development (a larger ground up development with 600 units as compared to the Residences on The Lane number of units at 150) the cost for construction management of the new construction is approximately \$55,000 per month; and for its 900 Thayer Ave development, the compensation for the CM was \$13,500/month.

All services rendered during the development phase of the project are being funded from the project's development budget, which was approved at a meeting of the Commission on January 9, 2019, including the budget for hard and soft cost contingencies. The exhibit below illustrates the change within the budget that allows for the increase without altering the overall total cost. Therefore, such expenditures are not expected to have an adverse financial impact on the Commission's operating budget.

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MASTER BUDGET LINE ITEM	FINAL LEGAL	TOTAL PRIOR REVISIONS	CURRENT REVISIONS	REVISED BUDGET	TOTAL DRAWN	AMOUNT
	CLOSING BUDGET					NOT BORROWED
Acquisition: Land	6,000,000.00	0.00	0.00	6,000,000	6,000,000	0.00
Hard Costs	30,858,071.00	70,261	0.00	31,053,332	28,365,000	2,688,332
Soft Costs						
Construction Manager for Lender	36,250.00	349,750	200,000.00 (200,000.00)	586,000	399,000	187,000
Soft Cost Contingency	323,823.00	(349,750)		8,630.45	0.00	8,630.45
Total SOFT COSTS	13,228,373.00	(70,261)	0.00	13,158,111	5,473,675	7,684,435
Lease-Up & Conversion Costs	1,337,633.00	0.00	0.00	1,337,633	21,000	1,316,633
TOTAL PROJECT COSTS	51,424,077.00	0.00	0.00	51,424,077	41,062,792	10,361,285
Construction Period Sources of Funds	50,114,172.62	12,000,000.00	0.00	62,114,173	42,158,582	19,955,590
Lease-Up & Conversions Sources	1,309,904.38	(12,000,000.00)	0.00	(10,690,096)	(1,095,787.69)	(9,594,307.93)
TOTAL PROJECT SOURCES	51,424,077.00	0.00	0.00	51,424,077	41,062,795	10,361,282

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff's recommendation, which is supported by the Development and Finance Committee, and approve a change order for CFI Construction, Inc. for up to \$200,000 to continue to provide construction management services at Residences on The Lane and authorize the Acting Executive Director to execute a change order in an amount not to exceed \$200,000?

BUDGET/FISCAL IMPACT:

There is no impact on the Commission's FY 2022 operating budget. The CFI Construction, Inc. change order will be funded by the development budget for Residences on The Lane, previously approved by the Commission for consulting services.

The estimated total cost of the change order(s) for work through completion is \$200,000, which includes a contingency of \$13,000.

PRINCIPALS:

CFI Construction, Inc.
HOC at the Upton II, LLC
Housing Opportunities Commission of Montgomery County

TIME FRAME:

For formal Commission action on May 4, 2022.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Commission approve a change order to the CFI Construction, Inc. contract for \$187,000 and approve a \$13,000 contingency, which if used would bring the aggregate contract amount to \$599,000 to provide continued services for construction management at Residences on The Lane through close out of the construction and Stabilized Occupancy.

Staff further recommends authorization for the Acting Executive Director to execute said Change Order.

RESOLUTION No. 22-35

RE: Approval for the Acting Executive Director to Execute Change Order with CFI Construction, Inc. to Continue Construction Management Services at the Residences on The Lane Development

WHEREAS, on January 9, 2019 the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) approved the Final Development Plan for Upton II (later renamed Residences on The Lane) (the “Property”), which started construction in April 2019; and

WHEREAS, HOC is the managing member of HOC MM Upton II, LLC, which is the managing member of HOC at the Upton II, LLC (“Owner”), the owner of the Property; and

WHEREAS, on May 10, 2019, the Commission approved the selection of CFI Construction Corporation (“CFI”) as construction manager for the project and CFI was awarded a contract in the amount of \$249,000; and

WHEREAS, to bolster staffing shortages, on September 1, 2021, the Commission approved a change order to the CFI contract up to \$150,000 (bringing their aggregate contract amount to \$399,000) to provide continuing services for construction management at the Property, to be funded from the Property’s development budget; and

WHEREAS, to ensure the efficient and timely completion of the development plan and delivery of equity credits, staff proposes an expanded role for CFI and approval of another change order to the contract to augment staff resources to handle construction management services for the closeout delivery of the building and to protect the Commission’s interests.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, on behalf of itself and as the ultimate managing member of Owner, that it hereby approves a change order to the CFI contract not to exceed \$200,000 (bringing their aggregate contract amount to \$599,000) to provide continuing services for construction management at the Property through stabilized occupancy, and authorizes the Acting Executive Director, or her designee, to execute such change order to be funded from the Property’s development budget.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, on behalf of itself and as the ultimate managing member of Owner, that the Acting Executive Director of HOC, or her designee, 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.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on May 4, 2022.

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Patrice M. Birdsong
Special Assistant to the Commission

WESTSIDE SHADY GROVE: APPROVAL OF THE NAMING AND BRANDING IN ACCORDANCE WITH HOC NAMING GUIDELINES



KAYRINE V. BROWN, ACTING EXECUTIVE DIRECTOR

**ZACHARY MARKS, CHIEF REAL ESTATE OFFICER
MARCUS ERVIN, DIRECTOR OF DEVELOPMENT
BRIAN SELDEN, PUBLIC INFORMATION SPECIALIST**

May 4, 2022

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EXECUTIVE SUMMARY

In February 2021, HOC and its development partners EYA and Bozzuto Development broke ground on Westside at Shady Grove (the “Property”), a new construction mixed-income and mixed-use housing development in Rockville, Maryland that is steps away from 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 first units will be delivered in November 2022 along with the CVS retail space and other additional amenities. The first units will begin pre-leasing late 2022. **A selection of a permanent name for the Property is required to support ongoing marketing, branding and leasing efforts for the Property.**

As this represents the second community to be named under the Guidelines, staff will remain committed to making naming recommendations that reflect the unique nature of each property while recognizing the surrounding and immediate location, the future resident experience, and the high-quality spaces incorporated into the development.

Proposed Name: In alignment with the “Guidelines for Naming of HOC Properties and Facilities,” the proposed name, *The Laureate* is both timeless, elegant, and inspired by the collective Laureates designated over the course of Maryland’s history, both young and old whose contributions through their works have led to the development and appreciation for poetry, arts and the humanities.



Proposed Name: The Laureate

GUIDELINES FOR NAMING OF HOC PROPERTIES AND FACILITIES

The naming guidelines require consideration of the following principles for the selection of a permanent name of a property or facility:

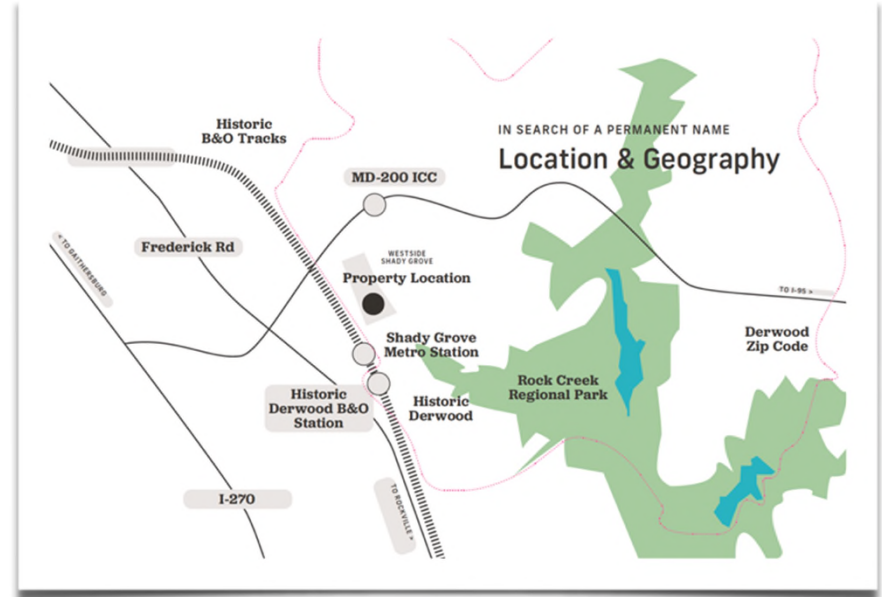
- Have a strong positive image and should stand the test of time;
- Have appropriate regard to the facility's location, geography, natural land feature, and/or history;
- Commemorate places, people or events that are of continued importance to the town, region, state, and/or nation;
- Recognize outstanding accomplishments by an individual for the good of the community. Quality of the contribution should be considered along with the length of service by the individual.



GEOGRAPHY AND HISTORY

Montgomery County has evolved from a region of farming communities into a vital force in the metropolitan urban area. Major forces of change have been the Civil War, the B&O Railroad, World War II, and the growth of the federal government. Since the 1940s, the county's population has grown exponentially. Throughout, the growth of Montgomery County is threaded with triumphs of community, preservation and culture.

The Property site, located between the larger siblings of Rockville and Gaithersburg, remained farming fields past 1970, until the County Service Park was developed on the East and West sides of Crabbs Branch Way. The Shady Grove Metro Station opened in 1984.

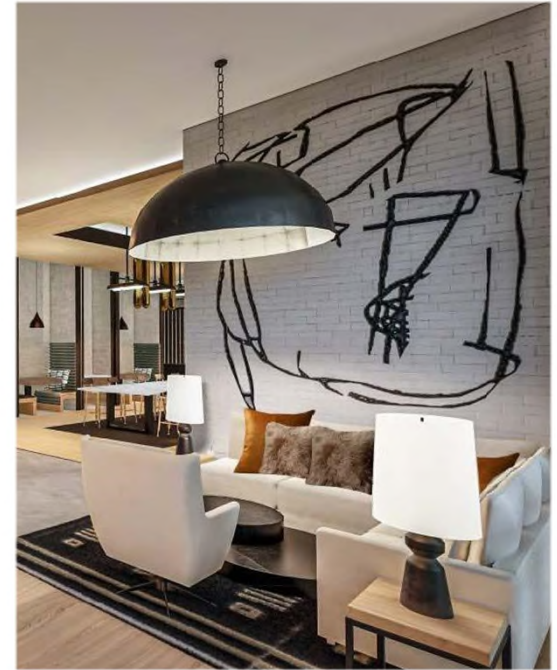


PROPERTY NAME: FOCUS AND GUIDELINES

Maryland Poet Laureate Position: The name recommendation draws upon the Maryland Poet Laureate position, which was formally established by the Maryland General Assembly in 1959 and authorizes the governor to appoint a citizen of the state as Poet Laureate of Maryland.

The Poet Laureate: The Poet Laureate is one who has been honored & recognized for outstanding and creative achievements in poetry and provides public readings for the citizens of Maryland, ensuring that people in all geographic regions of the state have access to at least one reading during the term of service. The Poet Laureate also undertakes projects that make poetry more available and accessible to citizens of Maryland of all ages.

Art & Education at Westside Shady Grove: This Property will be well-situated in the burgeoning art and education communities that are in close proximity to Westside Shady Grove. Both the award-winning Universities at Shady Grove and the Glenstone Contemporary Art Museum are short drives from this location. Art will be present throughout all areas of the building including the HOC Service Center, building amenity areas, residential units, and the children's space allowing users and residents an enriching experience.



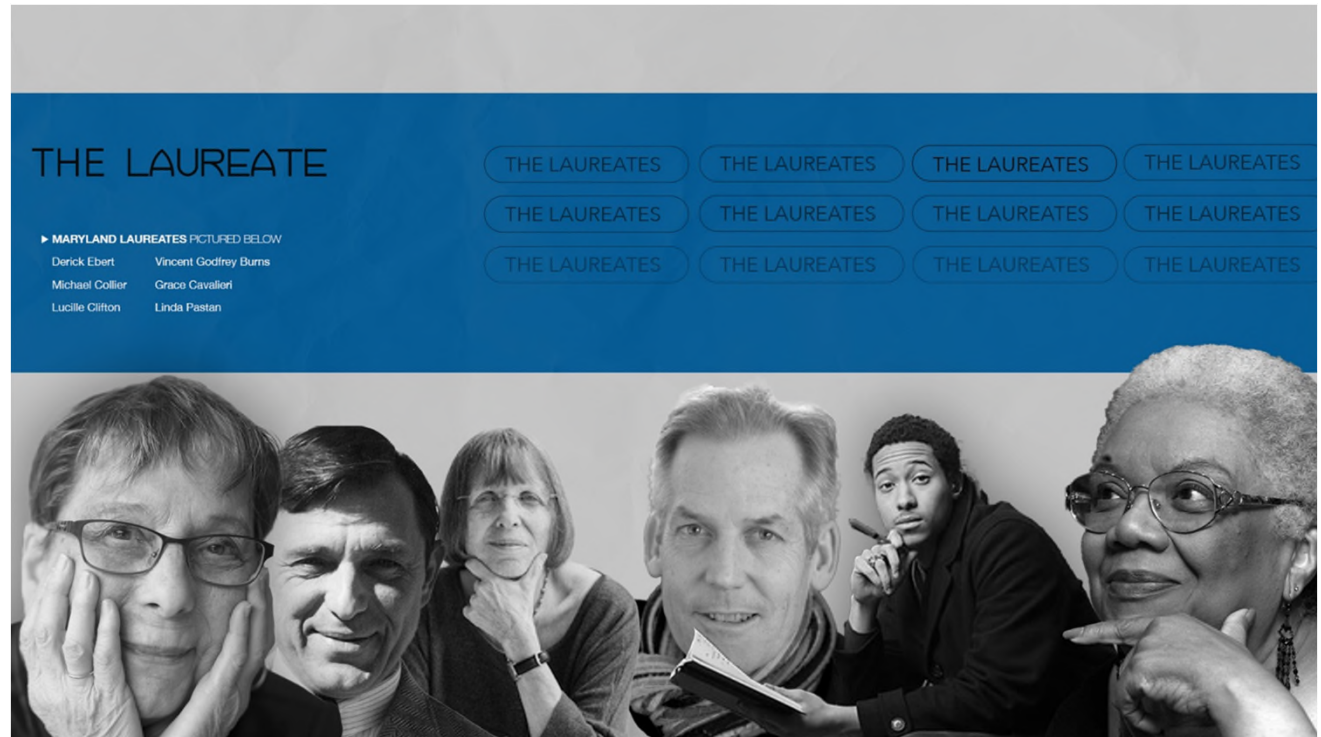
PROPERTY NAME: FOCUS AND GUIDELINES

NAME SUGGESTION:

“THE LAUREATE”

Since the official designation of the first Laureate in 1959, each honoree has made significant contributions to the arts throughout Maryland during their term. Once opened “The Laureate” too will not only provide high-quality transit-oriented housing to the citizens of Montgomery County, but will serve as another accomplishment and model for full-spectrum sustainable housing within HOC’s portfolio.

Storytelling and Community Engagement Opportunities will exist to showcase a library of works from Maryland (or about Maryland) by local and statewide poets, authors and writers. Consideration for hosting book tours, poetry workshops, lending library, and programming around reading can be incorporated into the community activities.



TAKEAWAYS: While the proposed naming recommendation does not directly lend itself to the natural history and physical evolution of the Property and surrounding areas, the name is both timeless, elegant, and inspired by the collective Laureates designated over the course of Maryland’s history, both young and old whose contributions through their works have led to the development and appreciation for poetry, arts and the humanities. The naming of subsequent HOC communities and properties will similarly seek to closely align and give consideration to the many principles of the Naming Guidelines while celebrating the unique attributes of that property.

Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to accept staff's recommendation, which is supported by the Development and Finance Committee and approve the permanent name, "The Laureate" for HOC at Westside Shady Grove currently located in Rockville, MD?

- The Development & Finance Committee considered this proposal at its meeting on April 22, 2022.

BUDGET/FISCAL IMPACT

There is no budget or fiscal impact.

TIME FRAME

For action at the May 4, 2022 meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission approve the permanent name, "The Laureate" for HOC at Westside Shady Grove.

WHEREAS, Westside Shady Grove Building D (the “Property”) is currently under construction and will be a 268-unit mixed use apartment building with 21,000 square feet of retail space and serve as the Housing Opportunities Commission of Montgomery County’s (the “Commission” or “HOC”) Up-County Customer Service Center in the Westside Shady Grove area of Rockville, MD;

WHEREAS, the Property is owned by HOC at Westside Shady Grove, LLC (“Owner”), which is ultimately controlled by the Commission; and

WHEREAS, HOC staff, in alignment with the Guidelines for Naming of HOC Properties and Facilities (the “Guidelines”), developed a permanent name recognition; and

WHEREAS, the recommended permanent name aligns with the general principles set forth in the Guidelines, including: having a strong positive image that withstands the test of time; having appropriate regard for the Property’s location and history; and recognizing outstanding accomplishments by individuals for the good of the community.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County, on its behalf and on behalf of the Owner, as the sole member of its ultimate managing member, approves “The Laureate” as the permanent name for the Property.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County, acting on its behalf and on behalf of the Owner, as the sole member of its ultimate managing member, that the Acting Executive Director of HOC, or her designee, is authorized and directly, without any further action on their respective parts, to take any and all other actions necessary and proper to carry out the activities contemplated herein.

I HEREBY CERTIFY that the foregoing resolution was duly adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on May 4, 2022.

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Patrice M. Birdsong
Special Assistant to the Commission

Recess

Development Corporation Meetings

The Metropolitan Development Corporation

METROPOLITAN DEVELOPMENT CORPORATION

The Metropolitan: Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments

May 4, 2022

- The Metropolitan Apartments (the “Property”) was constructed in 1997 as a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units.
- The Property is built above the Montgomery County-owned Metropolitan Public Parking Garage 49 (the “County Garage”) and legal title is structured as an air rights condominium.
- On February 2, 2022, pursuant to HOC’s procurement policy, The Metropolitan Development Corporation approved the non-competitive procurement of Smislova Kehnemiu & Associates, P.A. (“SK&A”) to perform Structural Engineer Services at the Property.
- SK&A pre-qualified concrete and waterproofing repair contractors to submit bids and to serve as the primary contractor for the Property.
- SK&A has conducted a review and analysis of the bids for repair work from Concrete Projection & Restoration, Inc., The C.A. Lindman Inc., and Contracting Specialists, Incorporated (“CSI”).
- Based on SK&A’s review of the submitted proposals and project completion time, SK&A advises awarding a contract for the green roof repair work to CSI because of their overall experience, lower bid price, and faster completion schedule.
- The Development and Finance Committee discussed this item at its meeting on April 22, 2022 and staff recommends, with the support of the Development and Finance Committee, the Commission’s approval to select Contracting Specialists, Incorporated as the Waterproofing Contractor for the repair of the green roof at the Property.

MEMORANDUM

TO: Metropolitan Development Corporation Board of Directors

VIA: Kayrine Brown, Acting Executive Director

FROM: Division: Real Estate
Staff: Zachary Marks, Chief Real Estate Officer Ext. 9613
Marcus Ervin, Director of Development Ext. 9752
Hyunsuk Choi, Housing Acquisition Manager Ext. 9762
Paul Vinciguerra, Construction Manager Ext. 9715

RE: **The Metropolitan:** Emergency Procurement Approval by Metropolitan Development Corporation to Select Contracting Specialists, Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments

DATE: May 4, 2022

STATUS: Committee Report Deliberation X

OVERALL GOAL & OBJECTIVE:

Emergency Procurement to Select by Metropolitan Development Corporation (the “Corporation”) to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments.

BACKGROUND:

The Metropolitan Apartments (the “Property”), constructed in 1997, is a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units.

The Property is built above the Montgomery County-owned Metropolitan Public Parking Garage 49 (the “County Garage”) and legal title is structured as an air rights condominium.

The Commission approved the selection of Miner Feinstein Architects (“MFA”) as architect for the design services for the rehabilitation of the Property. MFA engaged with Smislova, Kehnemui & Associates, P.A (“SK&A”) as Structural Engineers as part of the design team. SK&A’s original scope of work under MFA’s engagement includes evaluation of the green roof; which, while located on top of the parking garage, is related to the Property’s residential use. Had this not been elevated by the County on an emergency status, it would have been addressed



as part of the evaluation of the Property in preparation for the planned rehabilitation work.

The Property has the green roof above the apartment parking spaces and the plaza level structural slabs, both of which exhibit signs of moisture intrusion. The County informed HOC staff that this has caused corrosion of the steel reinforcement of the concrete structural slabs, beams, and foundation walls. The Southeast corner of the facility experiences flooding with significant rain events. This includes water intrusion into the County Garage's elevator shafts, resulting in elevator outage.

On February 2, 2022, the Corporation approved the selection of SK&A as Structural Engineers to complete a plan for repair and evaluation of waterproofing services contractor for the Green Roof at the Property and approved the use of \$243,000 to complete the bidding and award process for the waterproofing contractor and any other additional necessary consultants.



Design and Bidding

The staff submitted the building permit for repair of the Green Roof to the Department of Permitting Service (the "DPS") on March 28, 2022, and it will be available in order to begin the repairs by July 2022.

SK&A has conducted a review and analysis of the bids for repair work from Concrete Projection & Restoration, Inc. ("CP&R"), The C.A. Lindman Inc. ("CAL"), and Contracting Specialists, Incorporated ("CSI").

As part of the bid process, SK&A pre-qualified concrete and waterproofing repair contractors to submit bids and serve as the primary contractor for the Property. Additionally, each of these contractors were required to complete an HOC Works Opportunities Plan, adhere to the Prevailing Wage Determination as required by the Davis-Bacon Act, and allot a minimum of 25% of the subcontracted work to Minority, Female, and Disabled-Owned Businesses.

1. **CP&R** is a concrete repair and waterproofing contractor based in Baltimore, MD with significant experience in large-scale garage and plaza rehabilitation projects in the Washington-Baltimore market. Originally founded in 1996, some of their relevant project experience include the completion of a major plaza renovation project with SK&A and the Montgomery County Department of General Services at the Executive Office Building in Rockville.
2. **CLA**, based in Jessup, MD, represents a group of companies known as The C.A. Lindman Companies and possesses significant experience in historic structures and concrete, masonry, stucco, and waterproofing repairs. Originally founded in 1990, some of their relevant project experience include completion of a major plaza renovation project at the Sheraton Hotel in McLean, VA and The Regency at McLean Condominium in McLean, VA.
3. **CSI** is based in Attleboro, MA, with a regional office in College Park, MD. CSI is experienced in structural stabilization, concrete repair, masonry restoration, and waterproofing repairs.

Originally founded in 1996, some of their relevant project experience include significant site and structural stabilization repairs at Cedar Lane Medical Center in Bethesda, MD with SK&A, and concrete repairs at Kennedy Center for the Performing Arts in Washington D.C., Lake Barcroft Dam in Falls Church, VA, and World Trade Center Baltimore in Baltimore, as well as large scale comprehensive parking garage structural repairs and waterproofing at Virginia Commonwealth University in Richmond, VA. Additionally, some of their relevant projects experience include work in Massachusetts and Florida for Boston Convention Center, Gillette Stadium (New England Patriots), Massachusetts General Hospital, and Miami International Airport.

Based on SK&A’s review of the submitted proposals and project completion time, SK&A advises awarding a contract for construction to CSI because of their overall experience, lower bid price and faster completion schedule, when compared to the other two (2) bids, which were received.

CSI’s overall bid price was significantly less than the other two (2) bids that were submitted and their overall project schedule of 55 weeks (mobilization + completion time) was also more favorable. In order to ensure that CSI’s bid did not contain any mistakes or significant misunderstanding of scope items, SK&A performed a line-by-line review of their submitted bid, which did not reveal any glaring mistakes or misunderstandings of the project scope. Finally, SK&A has had discussions with each of the three (3) responsive bidders and learned that both CAL and CP&R are currently oversubscribed, and did not aggressively price this bid. CSI indicated that they did aggressively price this bid and have labor ready and capable to perform the project, beginning this summer.

Bid Summary	C.A Lindman, Inc	Contracting Specialists, Incorporated	Concrete Projection & Restoration
Total Costs	\$8,302,340	\$4,499,450	\$8,755,880
Mobilization Time	20 days	21 days	21 days
Completion Time	80 Weeks	52 Weeks	65 Weeks

Staff requests the authorization of the Acting Executive Director to negotiate and execute the waterproofing contractor contract with Contracting Specialists Incorporated for an amount not to exceed \$4,499,450. Staff further requests funding for a contingency of \$450,000 for unforeseen conditions during completion of the work.

Funding

The Property is responsible for the cost to repair the green roof, which would be paid by existing property cash from the Metropolitan. To assist, staff was notified by Montgomery Delegate Marc Korman that through his efforts, the State Capital budget includes two separate allocations to repair the green roof and end the leaking that damaged the County garage elevator. This funding consists of a miscellaneous grant for \$1,250,000 and a Legislative Bond Initiative for \$350,000 making a total of \$1.6 million available. If the total cost exceeds the existing cash available plus the grant funds of \$1.6 million, cash flow generated in FY 2023 prior to closing will pay the balance.

The total cost for completing the replacement of the green roof is \$5,192,450.

Specialty	Firm	Commission Approval	Cost
Structural Engineer	Smislova, Kehnemui & Associates, P.A	2/2/2022	\$243,000
Waterproofing Contractor	Contracting Specialists, Inc.	5/4/2022	\$4,499,450
Contingency	HOC - Contingency	5/4/2022	\$450,000
		Total	\$5,192,450

Summary of past approvals for the Metropolitan

Date	Res.	Description
9-Sep-20	20-65	Approval of Feasibility Funding for the Financing and Renovation of The Metropolitan and Authorization to Make loans to The Metropolitan of Bethesda Limited Partnership and The Metropolitan Development Corporation
9-Sep-20	20-004 _{ME}	Approval of Metropolitan Development Corporation (the “Corporation”) to Accept a Loan from the Opportunity Housing Reserve Fund for Feasibility Funding to Explore the Refinancing and Renovation of Units Owned by the Corporation
13-Jan-21	21-10	Approval to Select Miner Feinstein Architects, Authorization for the Executive Director to Negotiate and Execute a Contract for the Renovation of The Metropolitan Apartments and Authorization to Make Loans to Metropolitan Bethesda Limited Partnership and Metropolitan Development Corporation
13-Jan-21	21-001 _{ME}	Approval by Metropolitan Development Corporation to Accept the Selection Miner Feinstein Architects as Architect and Accept a Loan from the Opportunity Housing Reserve Fund for Architectural and Interior Design Services for the Predevelopment Phase of the Rehabilitation
2-Feb-22	22-13	Emergency Procurement to Select Smislova, Kehnemui & Associates, P.A as Structural Engineers to Complete a Plan for Repair and Evaluation of a Waterproofing Services Contractor for the Green Roof at Metropolitan Apartments

ISSUES FOR CONSIDERATION:

Will the Board of Directors of Metropolitan Development Corporation (the “Corporation”) accept staff’s recommendation, which is supported by the Development and Finance Committee to:

1. Approve the Selection of Contracting Specialists Incorporated (“CSI”) as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments?
2. Authorize the Acting Executive Director to negotiate and execute the Waterproofing Contractor contract with Contracting Specialists Incorporated for an amount not to exceed \$4,499,450?
3. Approve a project contingency of \$450,000?
4. Accept two separate allocations in the State of Maryland Capital budget (i) a miscellaneous grant for \$1,250,000, and (ii) a Legislative Bond Initiative for \$350,000, totaling \$1.6 million?

5. Authorize the funding of the repairs and contingency by Metropolitan Development Corporation and an appropriation by the State of Maryland in its Capital Budget?

PRINCIPALS:

Housing Opportunities Commission of Montgomery County
The Metropolitan of Bethesda Limited Partnership
The Metropolitan Development Corporation
Montgomery County
SK&A
Contracting Specialists Incorporated

BUDGET IMPACT:

Since the actual work is not anticipated to begin before July 1, 2022, there is no impact on the Corporation's FY 2022 operating budget. Staff will incorporate any anticipated impact to the FY 2023 operating budget into the budget that will be presented at the June 8, 2022 Commission meeting for adoption.

TIME FRAME:

For formal Commission action on May 4, 2022 meeting of the Metropolitan Development Corporation.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff recommends that the Corporation:

1. Approve the Selection of Contracting Specialists Incorporated ("CSI") as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments;
2. Authorize the Acting Executive Director to negotiate and execute the Waterproofing Contractor contract with Contracting Specialists Incorporated for an amount not to exceed \$4,499,450;
3. Approve a project contingency of \$450,000;
4. Accept two separate allocations in the State of Maryland Capital budget (i) a miscellaneous grant for \$1,250,000, and (ii) a Legislative Bond Initiative for \$350,000, totaling \$1.6 million; and
5. Authorize the funding of the repairs and contingency by Metropolitan Development Corporation and an appropriation by the State of Maryland in its Capital Budget.

RESOLUTION No: 22-002_{ME}

RE: Emergency Procurement to Select Contracting Specialists Incorporated as the Waterproofing Contractor for Repair of the Green Roof at Metropolitan Apartments

WHEREAS, The Metropolitan Apartments (“the “Property”) was constructed in 1997 as a 14-story, 308-unit high-rise apartment building located at 7620 Old Georgetown Road, Bethesda and currently consists of 216 market rate units and 92 affordable units; and

WHEREAS, the Property is owned by The Metropolitan of Bethesda Limited Partnership (the “Metropolitan LP”), which is wholly owned by the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”), and The Metropolitan Development Corporation (the “Metropolitan Corporation”), which is wholly controlled by HOC; and

WHEREAS, the Property has a green roof plaza and testing has revealed ineffective drainage beneath the paved area of the plaza, which needs to be remediated immediately in order to prevent more extensive and expensive damage to the Property; and

WHEREAS, on February 2, 2022, the Metropolitan Corporation approved selecting Smislova, Kehnemui & Associates, P.A (“SK&A”) to (i) complete a plan for the necessary repairs, (ii) to evaluate proposals for the selection of a waterproofing services contractor, and (iii) to perform construction management services; and

WHEREAS, SK&A has conducted a review and analysis of the bids for the waterproofing services contractor from (1) Concrete Projection & Restoration, Inc., (2) The C.A. Lindman Inc., and (3) Contracting Specialists, Incorporated (“CSI”); and

WHEREAS, based on SK&A’s review of the submitted proposals and project completion time, SK&A advises awarding a contract for waterproofing construction services to CSI in an amount not to exceed \$4,499,450 because of their overall experience, lower bid price, and faster completion schedule; and

WHEREAS, staff recommends including a contingency in the amount of \$450,000 to account for unforeseen conditions during completion of the work, which makes the total cost for the waterproofing construction \$5,192,450 (the “Waterproofing Budget”); and

WHEREAS, staff was notified by a Montgomery County Delegate that the State Capital budget includes two separate allocations that are available to repair the green roof plaza: (1) a miscellaneous grant for \$1,250,000, and (2) a Legislative Bond Initiative for \$350,000, for a total of \$1.6 million (“State Capital Contribution”); and

WHEREAS, the Waterproofing Budget will be funded by the State Capital Contribution and the Metropolitan Corporation operations (“Waterproofing Funding Sources”), provided that if the total cost exceeds the Waterproofing Funding Sources, cash flow generated by the Metropolitan Corporation in Fiscal Year 2023 will pay the balance; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Metropolitan

Development Corporation approves the selection of CSI as the Waterproofing Contractor for the repair of the green roof at the Property.

BE IT FURTHER RESOLVED that the Board of Directors of the Metropolitan Development Corporation authorizes HOC's Acting Executive Director, or her designee, to negotiate and execute a contract with CSI for an amount not to exceed \$4,499,450.

BE IT FURTHER RESOLVED that the Board of Directors of the Metropolitan Development Corporation approves a project contingency of \$450,000.

BE IT FURTHER RESOLVED that the Board of Directors of the Metropolitan Development Corporation (1) accepts the State Capital Contribution, and (2) authorizes the appropriation of the State Capital Contribution by the State of Maryland in its Capital Budget.

BE IT FURTHER RESOLVED that the Board of Directors of the Metropolitan Development Corporation approves the Waterproofing Budget, approves the Waterproofing Funding Sources, and authorizes use of cash flow generated in Fiscal Year 2023 to pay any shortfall.

BE IT FURTHER RESOLVED that the Board of Directors of the Metropolitan Development Corporation authorizes and directs HOC's Acting Executive Director, or her designee, without any 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 Board of Directors of the Metropolitan Development Corporation at a regular open meeting conducted on May 4, 2022.

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Patrice M. Birdsong
Special Assistant to the Board of Directors of
the Metropolitan Development Corporation

Adjourn

Closing Statement

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

Date: May 4, 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:

1. “To discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; any other personnel matter that affects one or more specific individuals;”
 3. “To consider the acquisition of real property for a public purpose and matters directly related thereto;” and
 13. “To comply with a specific constitutional, statutory, or judicially imposed requirement that prevents public disclosures about a particular proceeding or matter.”
- 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)(1)	The appointment, employment, assignment, and compensation of the candidates for Secretary-Treasurer/Executive Director.	This meeting must be closed because it involves the discussion of specific individuals and the terms of their employment.
§3-305(b)(3)	The acquisition/purchase of the fee simple interest of three multifamily properties (via a purchase and sale agreement) located in Bethesda, Maryland; and [NOTE: This item was discussed in previous closed sessions, including most recently at a closed Development and Finance Committee Meeting on April 22, 2022. This meeting is to finalize the acquisition.]	The meeting must be closed in order to protect HOC’s ability to purchase the properties. Public discussion of these items could harm HOC’s ability to negotiate and/or could result in HOC not being able to purchase the properties.
§3-305(b)(13)	The confidential commercial and financial terms of HOC’s acquisition of three multifamily properties located in Bethesda, Maryland.	Section 4-335 of the Maryland Public Information Act prevents disclosure of confidential commercial or financial information obtained from a third-party. The meeting must be closed to the public in order to protect confidential commercial and financial information provided to HOC from private financial institutions regarding the financing of the acquisition. All such information to be discussed is customarily and actually treated as private by the financial institutions, and has been provided to HOC under an assurance of privacy.

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

D. Recorded vote to close the meeting:

- Date: May 4, 2022 Time: _____ Location: (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