

# Minutes

**HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY**

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

**Minutes**

July 12, 2023

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted via a hybrid platform (with some participating in-person and some participating online/via teleconference) on Wednesday, July 12, 2023 with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 3:04 p.m. Those in attendance were:

**Present**

Roy Priest, Chair  
Francis Kelleher, Vice Chair  
Pamela Byrd  
Linda Croom  
Robin Salomon

**Via Zoom**

Richard Y. Nelson

**Absent**

Jeffrey Merkowitz, Chair Pro Tem

**Also Attending**

Chelsea Andrews, Executive Director	Tia Blount
Paige Gentry, Deputy General Counsel	Elaine Cole
Ken Silverman	Elliot Rule
Zachary Marks	John Wilhoit
Lynn Hayes	Monte Stanford
Tim Goetzinger	Patrick Mattingly
Bonnie Hodge	Jay Shepherd
Marcus Ervin	David Brody

**Also attending Via Zoom**

Destinee Hair	Matt Husman
Sean Asberry	Terri Fowler
Sewavi Prince Agbodjan	

**IT Support**

Aries Cruz, IT Support:

**Commission Support**

Jocelyn Koon, Senior Executive Assistant

Chair Priest opened the meeting with the introduction of the Commission. He welcomed the new Commissioner, Commissioner Salomon and congratulated Commissioner Croom and Commissioner Merkowitz on another five-year appointment. Chair Pro Tem Merkowitz was necessarily absent and did not attend the meeting.

## **I. Information Exchange**

### **Community Forum**

- Destinee Hair addressed the Board in regards to her relocation and termination. Ms. Hair expressed frustrations regarding the application process at Watercress Drive. Chair Priest thanked her for her comments. No formal action was taken.

### **Executive Director's Report**

- Chelsea Andrews, Executive Director, provided a presentation of the written report. Ms. Andrews also shared updates regarding HOC activities and spotlights for the month of June 2023.

### **Commissioners' Exchange**

- Chair Priest explained the reason for Commissioner Merkowitz's absence.

## **II. Approval of Minutes**

The minutes were approved as submitted with a motion by Commissioner Croom and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Kelleher, Croom, Nelson and Byrd. Commissioner Salomon abstained from the vote. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

### **A. Approval of Minutes of June 14, 2023**

### **B. Approval of Minutes of June 14, 2023 Closed Session**

## **III. Consent**

### **A. CY 2022 Audit: Acceptance of Calendar Year ("CY") 2022 900 Thayer Limited Partnership Audit**

Chair Priest introduced the item and asked for a motion to approve Resolution 23-42. The following resolution was adopted upon a motion by Commissioner Kelleher and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom. Commissioner Salomon abstained from the vote. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

**RESOLUTION No.: 23-42**

**RE: Acceptance of Calendar  
Year 2022 Audit for 900 Thayer  
Limited Partnership**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (Commission”), or its wholly-owned and controlled affiliate, is the managing general partner in 900 Thayer Limited Partnership;

**WHEREAS**, the calendar year annual audit for 900 Thayer Limited Partnership has been completed; and

**WHEREAS**, a standard unqualified audit opinion was received from the independent certified public accounting firm who performed the audit.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County accepts the Calendar Year 2022 audit for 900 Thayer Limited Partnership.

**I HEREBY CERTIFY** that the forgoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on July 12, 2023.

**B. Recognition of Jackie Simon’s tenure as an HOC Commissioner**

Chair Priest introduced the item and asked for a motion to approve Resolution 23-43. The following resolution was adopted upon a motion by Commissioner Kelleher and seconded by Commissioner Croom. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom. Commissioner Salomon abstained from the vote. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

**RESOLUTION: 23-43**

**RE: Recognition of Jackie Simon’s  
Tenure as an HOC Commissioner**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) wishes to acknowledge, honor, and express its heartfelt gratitude to Jackie Simon (“Ms. Simon”) for her invaluable contribution to the agency and the community;

**WHEREAS**, Ms. Simon has been a stalwart supporter of affordable housing throughout her life and career, and has fiercely advocated for rights and opportunities for people with disabilities;

**WHEREAS**, over the years, Ms. Simon has had an immeasurable impact on HOC and its Customers, with a special focus on the Tony S. Davis Memorial Scholarship, the Fatherhood Initiative Program, and ensuring that HOC’s developments go above and beyond to provide accessibility for seniors and the disabled; and

**WHEREAS**, Ms. Simon has been a fixture at HOC long before she became a Commissioner and her influence will continue to be felt for years to come.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County extends its sincere appreciation to Ms. Simon for her untold impact on HOC and the community.

**I HEREBY CERTIFY** that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on July 12, 2023.

#### **IV. Committee Reports and Recommendations for Action**

##### **A. Administrative and Regulatory Committee-Com. Kelleher, Chair**

- 1. Annual SEMAP Submission:** Authorization to Submit HOC’s Fiscal Year 2023 Section Eight Management Assessment Program (“SEMAP”) Certification to the U.S. Department of Housing and Urban Development (“HUD”)

Commissioner Kelleher provided an overview of the SEMAP program and introduced Chelsea Andrews, Executive Director, who introduced Elliot Rule, Compliance Analyst, who provided the presentation. Chair Priest asked for a motion to approve Resolution 23-44. The following resolution was adopted upon a motion by Commissioner Kelleher and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom. Commissioner Salomon abstained from the vote. Commissioner Merkwitz was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 23-44**

**RE: Authorization to Submit HOC’s Fiscal Year 2023 Section Eight Management Assessment Program Certification to HUD**

**WHEREAS**, the regulations of the U.S. Department of Housing and Urban Development (“HUD”) require that the Housing Opportunities Commission of Montgomery County (“HOC”) submit a Section Eight Management Assessment Program (“SEMAP”) certification to HUD annually;

**WHEREAS**, the fiscal year (“FY”) 2023 SEMAP certification, which measures the status of HOC’s administration of the Section Eight Program for FY 2023, must be submitted to HUD within 60 days of the end of the FY; and

**WHEREAS**, staff has completed the FY 2023 SEMAP certification and recommends that it be submitted to HUD.

**NOW, THEREFORE, BE IT RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her designee, is hereby authorized to submit the FY 2023 SEMAP Certification to HUD.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director, or her designee, is hereby authorized and directed, without any further action on

its part, to take all other actions necessary and proper to submit the FY 2023 SEMAP certification to HUD.

I **HEREBY CERTIFY** that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on July 12, 2023.

**V. Items Requiring Deliberation and/or Action**

- 1. Headquarters:** Approval of a Revision to the Ground Lease Agreement and the Final Development Plan for the Headquarters Building.

Commissioner Priest introduced Chelsea Andrews, Executive Director, who introduced Marcus Ervin, Director of Development, and Jay Shepherd, Housing Acquisition Manager, who provided the presentation. Chair Priest asked for a motion to approve Resolution 23-45. The following resolution was adopted upon a motion by Commissioner Byrd and seconded by Commissioner Kelleher. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom. Commissioner Salomon abstained from the vote. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

**RESOLUTION NO.: 23-45**

**RE: Approval of a Revision to the Ground Lease Agreement and the Final Development Plan for the HOC Headquarters Building**

**WHEREAS**, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”), is in the process of building 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”) on three lots located at 1324 and 1328 Fenwick Lane, Silver Spring, MD 20910 (the “Property”); and

**WHEREAS**, pursuant to Resolution 19-45AS1 dated April 3, 2019, the Commission approved entering into a Ground Lease with Fenwick Silver Spring, LLC (the “Landlord”) for the Property; and

**WHEREAS**, on August 2, 2019, HOC entered into that certain Ground Lease with the Landlord, as amended by that certain First Amendment to Ground Lease dated July 7, 2022 (collectively, the “Ground Lease”); and

**WHEREAS**, the Ground Lease has an initial term of 60 years, plus two fifteen (15)-year extensions; and

**WHEREAS**, in order for the site to qualify for real property tax exemption under Maryland State Code Tax-Prop. Article 6-102(d), the ground lease must be in ownership by HOC (and not a special purpose entity) and be for an initial term of 99 years; therefore, the Commission wishes to amend the Ground Lease and related Memorandum of Ground Lease to revise the term to 99 years; and

**WHEREAS**, on May 6, 2020, the Commission approved a predevelopment plan and budget for the New HQ, and the Commission approved amendments thereto February 3, 2021, May 4, 2022, and April 21, 2023; and

**WHEREAS**, HOC staff have prepared the Final Development Plan for the New HQ identifying a total development cost of approximately \$74 million to be funded with proposed tax-exempt governmental bonds, under the 2002 Multiple Purpose Indenture (the “Final Development Plan”); and

**WHEREAS**, the Commission desires to (1) authorize the Executive Director to execute an amendment to the Ground Lease and the Memorandum of Ground Lease that changes the initial base term from 60 years to 99 years to ensure the property qualifies for the real property tax exemption under Maryland State Code Tax-Prop. Article 6-102(d) and (2) approve the final development plan for the Transaction, as presented at the July 12, 2023 meeting of the Commission (“Final Development Plan”).

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes the Executive Director to execute an amendment to the Ground Lease and the Memorandum of Ground Lease that changes the initial base term from 60 years to 99 years to ensure the property qualifies for the real property tax exemption under Maryland State Code Tax-Prop. Article 6-102(d);

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County approves and authorizes the Final Development Plan for the New HQ.

**BE IT FURTHER RESOLVED** by the Housing Opportunities Commission of Montgomery County that the Executive Director of the Commission 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 in a regular open meeting conducted on July 12, 2023.

**2. The Metropolitan:** Approval to Select and Negotiate a Guaranteed Maximum Price (“GMP”) contract with Southway Builders, LLC for the Metropolitan Apartments

Commissioner Priest introduced Chelsea Andrews, Executive Director, who introduced Marcus Ervin, Director of Development, who provided the presentation. Staff answered the Commissioners questions. Chair Priest asked for a motion to approve Resolution 23-46. The following resolution was adopted upon a motion by Commissioner Croom and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom. Commissioner Salomon abstained from the vote. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

**RESOLUTION No. 23-46**

**RE: Approval to Select and Negotiate a  
Guaranteed Maximum Price (“GMP”)  
contract with Southway Builders, LLC  
for the Metropolitan Apartments**

**WHEREAS**, The Metropolitan (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 Metropolitan of Bethesda Limited Partnership (the “Metropolitan LP”), which is wholly owned by the Housing Opportunities Commission of Montgomery County (the “Commission” or “HOC”) owns 92 units at the Property, and The Metropolitan Development Corporation (the “Metropolitan Corporation”), a wholly owned corporate instrumentality of HOC, owns 216 units at the Property; and

**WHEREAS**, the Commission desires to select a general contractor to renovate the Property and therefore issued request for proposals for general contracting services (“RFP#2357”); and

**WHEREAS**, Southway Builders, LLC (“Southway”) received the highest score among respondents to RFP #2357; and

**WHEREAS**, the Commission desires to select Southway as the general contractor for the Property and authorize the Executive Director to negotiate a guaranteed maximum price (“GMP”) contract with Southway; and

**NOW, THEREFORE, BE IT RESOLVED** by 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 Southway as the general contractor for the Property and authorizes the Executive Director to negotiate a contract with Southway.

**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 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 approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on July 12, 2023.

**3. HOC Rental Assistance: Authorization to Write-Off Certain Tenant Arrearages**

Commissioner Priest introduced Chelsea Andrews, Executive Director, who introduced Timothy Goetzinger, Chief Development Officer, who provided the presentation. Staff answered the



Commissioner's questions. Chair Priest asked for a motion to approve Resolution 23-47. The following resolution was adopted upon a motion by Commissioner Kelleher and seconded by Commissioner Byrd. Affirmative votes were cast by Commissioners Priest, Kelleher, Nelson, Byrd, Croom. Commissioner Salomon abstained from the vote. Commissioner Merkowitz was necessarily absent and did not participate in the vote.

**RESOLUTION NO. 23-47**

**RE: Authorization to Write-Off Certain  
Tenant Arrearages**

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

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

**WHEREAS**, due to the economic hardships caused by the COVID-19 emergency, HOC has experienced non-payment of rents leading to significant revenue shortfalls;

**WHEREAS**, HOC has worked diligently to take advantage of the different emergency rental assistance programs offered by the State and County. This funding has enabled us to work with families, keep them stably housed, and put them on a path to start over; however, despite the different emergency rental assistance programs, HOC still has significant arrearages;

**WHEREAS**, in 2022, the County provided HOC with \$3 million to help with arrearages and HOC recently applied this funding to residents with arrearages between \$2,000 and \$10,000;

**WHEREAS**, staff proposes that all additional available funding be applied to arrearages under \$2,000; and

**WHEREAS**, for equity purposes for households with less than \$2,000 in arrearages, staff recommends that any amount of arrearages that cannot be covered with current resources be written-off and the proposed write-off of certain tenant arrearages is in an amount not to exceed \$1,218,635.

**NOW, THEREFORE, BE IT RESOLVED** that the Housing Opportunities Commission of Montgomery County authorizes and directs the Executive Director, or her designee, without further action on its part, to take and all actions necessary to write-off an amount not to exceed \$1,218,635 in certain tenant arrearages related to tenant balances that are delinquent in amounts not greater than \$2,000.

**I HEREBY CERTIFY** that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on July 12, 2023.

The meeting went into recess at 4:38 p.m. and reconvened at 4:45 p.m.

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

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 4:48 p.m., and reconvened in closed session at 5:00 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 July 12, 2023 at approximately 5:00 p.m. at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(3), 3-305(b)(7), 3-305(b)(8), 3-305(b)(9) and 3-305(b)(13) to discuss four topics: (1) the status of ongoing negotiations with the union (pursuant to Section 3-305(b)(9)); (2) the potential acquisition of property in Silver Spring and Bethesda, Maryland (pursuant to Sections 3-305(b)(3) and 3-305(b)(13)); (3) the potential acquisition of property located in Rockville, Maryland (pursuant to Section 3-305(b)(3)); and (4) the ongoing litigation impacting Westwood Tower Apartments (pursuant to Sections 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13)).

The meeting was closed and the closing statement dated July 12, 2023 was adopted on a motion made by Chair Priest, seconded by Commissioner Byrd, with Commissioners Priest, Kelleher, Nelson, Byrd, and Croom voting in approval of the motion. Commissioner Salomon abstained from the vote. Commissioner Merkowitz was necessarily absent and did not participate in the vote. The following persons were present: Roy Priest, Frances Kelleher, Richard Nelson, Pamela Byrd, Linda Croom, Robin Salomon, Chelsea Andrews, Paulette Campbell, Elaine Cole, Patrick Mattingly, Paige Gentry, Zachary Marks, Marcus Ervin, and Jocelyn Koon.

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

1. **Topic:** Discussion of staff wages in consideration of the impact to wage negotiations with the union (MCGEO) (pursuant to Section 3-305(b)(9)).
  - a. **Action Taken:** The Commission received information from staff and a third-party consultant about wages. No formal action was taken.
2. **Topic:** The potential acquisition of/purchase of improved real property located in Silver Spring and Bethesda, Maryland (pursuant to Sections 3-305(b)(3) and 3-305(b)(13)).
  - a. **Action Taken:** The Commission was informed about the potential acquisition/transaction. Staff committed to providing further updates as the potential project progresses. No formal action taken.
3. **Topic:** The potential acquisition/purchase of real property (i.e., land) located in Rockville, Maryland (pursuant to Section 3-305(b)(3)).

- a. **Action Taken:** With a quorum present, Commissioners Kelleher, Byrd, Priest, and Croom voted to approved Resolution No. 23-48AS, which authorized the execution of a non-binding letter of intent outlining various business terms, including acquisition terms. Commissioner Salomon abstained and Commissioners Merkowitz and Nelson were necessarily absent and did not participate in the vote.
4. **Topic:** Ongoing litigation impacting Westwood Towers Apartments (pursuant to Sections 3-305(b)(7), 3-305(b)(8), and 3-305(b)(13)).
  - a. **Action Taken:** The Commission received an update about the litigation impacting the property. No formal action was taken.

The closed session was adjourned at 7:30 p.m.

Respectfully submitted,

Chelsea Andrews  
Secretary-Treasurer

/jlk