



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

EXPANDED AGENDA

YouTube Link: <https://youtube.com/live/n8sa1oCcNt0?feature=share>

March 6, 2024

The public is invited to attend HOC’s March 6, 2024 Monthly Commission meeting in-person. HOC’s Board of Commissioners and staff will continue to participate through a hybrid model (a combination of in-person online participation).

		Resolution #
4:00pm pg.5	I. <u>INFORMATION EXCHANGE</u> A. Community Forum B. Report of the Resident Advisory Board C. Report of the President D. Commissioner Exchange	
Pg.15 Pg.20 Pg.22	II. <u>APPROVAL OF MINUTES</u> A. Approval of Minutes of February 7, 2024 B. Approval of Minutes of February 22, 2024 Special Session C. Approval of Minutes of February 22, 2024 Closed Special Session	
Pg.25	III. <u>CONSENT</u> A. Designation of Aisha Memon as Resident Agent for The Housing Opportunities Commission of Montgomery County	24-16 (pg.26)
Pg.28	IV. <u>ITEMS REQUIRING DELIBERATION AND/OR ACTION</u> A. Adoption of HOC’s Five- Year Strategic Plan for 2024-2029	24-17(pg.31)
	V. <u>COMMITTEE REPORTS AND RECOMMENDATIONS FOR ACTION</u>	

	A. Budget, Finance and Audit Committee- Com. Priest, Chair	
Pg.34	1. Fiscal Year 2024 (FY'24) Second Quarter Budget to Actual Statements: Acceptance of Second Quarter FY'24 Budget to Actual Statements	24-18 (pg.44)
Pg.50	2. Uncollectible Tenant Accounts Receivable: Authorization to Write- Off Uncollectible Tenant Accounts Receivable (October 1, 2023-December 31, 2023)	24-19 (pg.55)
	B. Development & Finance Committee, Com. Merkowitz, Chair	
Pg.57	1. Wheaton Gateway: Approval of the Site Plan and Authorization for the Developer to Submit for Site Plan Review	24-20 (pg.72)
Pg.74	2. Scattered Sites: Authorization to Enter into a Purchase and Sale Agreement for the Disposition of up to Ten Units in Montgomery Village to Habitat for Humanity Metro Maryland	24-21 (pg.83)
Pg.85	3. Emory Grove Village/ Camp Square: Approval of the First Amendment to Purchase & Sale Agreement for Emory Grove Village and Camp Hill Square	24-22 (pg.93)
Pg.95	4. Hillandale Gateway: Approval of the Naming and Branding of Hillandale Gateway in Accordance with HOC Naming Guidelines	24-23 (pg.106)
	<u>RECESS</u>	
	<u>DEVELOPMENT CORPORATIONS</u>	
Pg.110	<u>RAD 6 Development Corporation</u> <ul style="list-style-type: none"> Approval of Minutes of February 7, 2024 	
	<u>ADJOURN</u>	
Pg.114	<u>Scattered Site One Development Corporation</u> <ul style="list-style-type: none"> Approval of Minutes of February 7, 2024 	
	<u>ADJOURN</u>	
	<u>TPM Development Corporation</u>	

Pg.118	<ul style="list-style-type: none"> Approval of Minutes of February 7, 2024 	
	<u>ADJOURN</u>	
	<u>RECONVENE HOC MONTHLY MEETING</u>	
Pg.123	<u>CLOSING STATEMENT</u> Vote to close meeting	
	<u>ADJOURN</u>	
	<u>CLOSED SESSION</u> The closed session will be called to order pursuant to Section 3-305(14) of the General Provisions Article of the Annotated Code of Maryland.	

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) 627-9421 or email Jocelyn.Koon@hocmc.org.

Information Exchange

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Report of the President

Chelsea J. Andrews



HOC AT-A-GLANCE: February 2024

During the month of February, HOC continued to engage in its core activities providing support and enrichment programming to our clients, fulfilling our HUD required obligations and enhancing our clients' experience.

This month HOC is bursting with pride over the grand opening on **Feb. 24** of one of our most ambitious co-located public amenity and residential development projects ever - the Silver Spring Recreation and Aquatic Center (SSRAC). HOC Commission Chair Roy Priest joined with other state and county officials to cut the ribbon and welcome residents to this wonderful new community amenity.

We are also proud to report yet another accolade for the Housing Production Fund (HPF). The HPF was selected as a Top 25 finalist, out of more than 500 entries, for the prestigious 2024 Ivory Prize for Housing Affordability, which recognizes ambitious, feasible, and scalable solutions to housing affordability.

We continue to highlight services provided by our Office of Resident Services and provide updates from our Legislative, Housing Resources Division and Real Estate Development activities.

HOC IN THE NEWS

HOC's "Unprecedented Urban Oasis"

Citing the opening of the Silver Spring Recreation and Aquatic Center (SSRAC), Washington, D.C.'s Fox 5 TV affiliate declared HOC's Elizabeth Square project an "unprecedented urban oasis" in a lengthy, laudatory online piece and accompanying on-air report on **Feb. 9**. Two residents of The Leggett told the station they "get giddy when they talk about the future of the neighborhood."

In addition, HOC was mentioned in reports on the SSRAC ribbon cutting on Washington, D.C.'s ABC 7 News and the East MoCo online news outlet.

What If Public Housing Was for Everyone?

HOC, The Laureate and the Housing Production Fund (HPF) that made it possible were the glowing examples of what might be the future of affordable housing in a **Feb. 10**, report on the internationally read Vox website. The report noted how city leaders from around the country are eager to learn how they can apply HOC's innovative financing approach to address their own affordable housing issues.



RESIDENT SERVICES UPDATE

Service Coordination and Programming

The Service Coordination and Programming Units provide assessment, counseling, information, referrals and program services to HOC customers. During the month of February 2024, staff continued to provide services virtually and in person. Resident Counselors continued to engage with HOC customers to determine their needs. Customers were referred to our partners to receive 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/connected to the COVID Rental Assistance Program, the Emergency Rental Assistance Program, and the Housing Stabilization Program.

HOC's customers also continued to receive referrals to unemployment assistance, Temporary Cash Assistance, Supplemental Nutrition Assistance Program, Maryland Energy Assistance Program, and other benefit programs. The Housing Stabilization staff continued to process applications for rental assistance. Resident Counselors have also attended the Housing Resources Division's 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 service needs.

Highlights for February activities of Resident Counselors include the following:

1. Workshops

- Residents participated in a **Resource Sharing workshop** facilitated by HOC on **Feb. 20** and a **Fundamentals of Housing workshop** on **Feb. 21**.

2. Resident Well Being

Activities for Youth and Families

- **Tanglewood Apartments Piano Pals:** This music education program, sponsored by the Tacy Foundation, attracted elementary-age youth to two Saturday morning sessions on **Feb. 3 and 10**.
- **Chromebook Computer Distributions:** Staff facilitated the screening of applicants and the distribution of free Chromebook laptop computers to HOC residents on **Feb. 5** at our

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Silver Spring Customer Service Center, as part of the Montgomery Connects digital equity and inclusion program.

- **After School Program:** Parents attended a **Feb. 5** community meeting at Washington Square/Camp Hill to receive an introduction to After School Program staff, as well as an overview of the Program, focusing on its value and benefits to their children.
- **Valentine's Day Party:** Tanglewood Apartments residents on **Feb. 9** enjoyed a family-centered early Valentine's Day celebration that involved raffles, coloring, games, and light refreshments. HOC's resident counselor also took the opportunity to distribute financial literacy flyers and free tax filing information to adult attendees.
- **Love Bingo at McGruder's Discovery:** Residents gathered **Feb. 26** for lively games of "Love Bingo," which encouraged friendly interactions among fellow neighbors. Refreshments and door prizes were provided.
- **Ongoing support:** Resident Services staff continued to assist the Property Management staff to address rent delinquencies by conducting outreach, assessments, and providing referrals.

Activities for Youth

- **Safe Zones program at Cider Mill:** Safe Zones program at Cider Mill: The Montgomery County Department of Health and Human Services' Street Outreach Network (SON) continued to facilitate the Safe Zones program at Cider Mill in February. Programming occurs every Friday and Saturday evenings during the month, with occasional offsite opportunities for participating youth. The current focus is helping youth to acquire and retain jobs. In February, a total of 30 youth were active in the program.
- **HOC Academy/Youth Enrichment Series (YES) after school clubs at Georgian Court, Tanglewood, Town Center Place, and Washington Square:** The clubs are provided to elementary-aged youth in grades 3-5, Monday through Thursday from 4:00 to 6:00 p.m. The Service Providers that support the clubs include Mad Science of Washington, D.C., which provides Robotics and Science Experiments exercises, and Carpe Diem Arts, which provides nutrition education and health and wellness, life skills, and cultural arts activities.

Activities for Seniors

- **Forest Oak Towers Community Engagement Bingo:** A diverse group of residents enjoyed multiple games of bingo, prizes and social interaction at the **Feb. 8 and 16** events.
- **Forest Oak Towers International Festival/Lunar Party:** This lively **Feb. 9** event promoted cultural diversity and encouraged residents to interact and express their culture through dance, singing and playing various musical instruments. Residents also celebrated the Lunar New Year.
- **Forest Oak Towers Valentine's Day Celebration:** An uplifting gathering on **Feb. 14** brought together residents for themed games, singing and dancing in a spirit of love and community. Roses and refreshments were enjoyed by all.

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- **Waverly House & Bauer Park Arts for the Aging (AFTA):** “Warming Up Your Winter” was the theme of the fitness activities on **Feb. 8 and 21** conducted for residents by the popular AFTA program.
- **Forest Oak Towers Disney on Ice:** Senior Connection hosted a **Feb. 8** field trip to a Disney on Ice “Find Your Hero” performance at Baltimore’s CFG Bank Arena. Residents enjoyed a wonderful festive performance during the excursion.
- **Willow Manor at Clopper’s Mill Valentine’s/Birthday Pizza Party:** Staff organized a **Feb. 9** pizza/bingo party gathering to celebrate Valentine’s Day and residents’ February birthdays. Willow Manor staff also distributed gift bags to residents whose birthdays took place that month.
- **Valentine’s Day Party at The Leggett:** Staff organized a festive Valentine’s Day celebration on **Feb.13**. Residents participated in a variety of games and enjoyed light refreshments in a fun, socializing atmosphere.
- **Waverly House Musical Performance:** Local young musicians sponsored by the TACY Foundation on **Feb. 13** performed a mini-concert of classical music for our residents.
- **Waverly House Arts & Crafts:** The unique creativity and skill of Waverly House residents flourished at a **Feb. 15** arts and crafts social gathering.
- **Waverly House Magnifying Bingo:** Visually challenged residents on **Feb. 21** enjoyed a magnifying glass-themed bingo party where they competed for prizes that included magnifying glasses.
- **Black History Celebration at Waverly House:** Music and art activities were featured at a **Feb. 28** celebration of Black History Month.

Health and Wellness Activities

- Students participating in the Chamberlain University Community Nursing Clinical Rotation visited Willow Manor at Fair Hill Farm on **Feb. 6, 13, 20 and 27** and hosted physical fitness and wellness workshops and participated in a meet and greet luncheon.
- The Jewish Council on Aging (JCA) conducted an information session **Feb. 14** at Residences on The Lane to provide seniors with information about its transportation services and resources.

3. Relocation and Re-Certification Assistance

- Assisted customers on an ongoing basis with relocations and other needs for RAD and renovation projects at Residences on the Lane, Stewartown Homes, Shady Grove Apartments, Willow Manor Apartments, Bauer Park, Town Center Olney, Sandy Spring, Willow Manor and Georgian Court.
- Provided continued outreach and assistance to customers who have failed to submit all required documents for re-certification by the stated deadline.

4. Rental Assistance/Housing Stabilization

- Resident Counselors provided face-to-face and electronic outreach and assistance to customers with applications for rental assistance programs. Provided face-to-face and

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electronic outreach and assistance to customers with applications for rental assistance programs.

- Housing Stabilization staff continued to process applications under the Emergency Assistance Program. Residents have received assistance for security deposits, rent, utilities, moving and storage. In addition, staff are processing cases identified as urgent. In February, 42 residents completed intakes, 39 residents were approved for assistance and 11 cases are pending.

5. Food Assistance

The Resident Services Division continued to provide food resources and other support with the help of six core partners: Manna Food Center, Emmanuel Brinklow SDA Church, Capital Area Food Bank's Senior Brown Bag, Nourish Bethesda, and Meals on Wheels, and Senior Connection. The Resident Services staff also continues to facilitate the Senior Nutrition Program, which provides meals and nutrition education for seniors to socialize in a congregate setting at Arcola Towers, Bauer Park and Forest Oak Towers. Below are highlights of programming activities for February 2024:

- Manna Food Center monthly food distribution at Tanglewood Apartments on **Feb. 2.**
- Manna Food Center monthly food Distribution at Residences on the Lane on **Feb. 9.**
- Capital Area Food Bank's Senior Brown Bag monthly distribution at Residences on the Lane on **Feb. 15.**
- Emmanuel Brinklow SDA Church monthly food Distribution at Forest Oak Towers on **Feb. 20.**
- Manna Food Center monthly food distribution at Forest Oak Towers on **Feb. 21.**
- Senior Connection monthly food distribution at Forest Oak Towers on **Feb.21.**
- Nourishing Bethesda weekly food distribution at Waverly House on **Feb. 2, 9, 16 and 23.**
- Meals on Wheels weekly lunch distribution at Waverly House on **Feb. 1, 8, 15, 22 and 29.**
- Emmanuel Brinklow SDA Church deliveries at scattered sites and Stewartown Homes on **Feb. 4 and 18.**
- Homeowners were able to select from fresh produce and fruit at a Manna Food Center Pop-Up event for the Tobytown Community on **Feb. 26.** They were also provided with information on how to sign-up for Manna food distribution at locations throughout the county and the SNAP benefit application process.

HOC Academy

The HOC Academy is an initiative developed by HOC to help its customers reach their fullest potential by providing educational, enrichment, job training and job placement opportunities to youth and adults. The program specifically focuses on education and enrichment for youth education and workforce development for adults. Listed below are highlights for the month of February 2024.

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Youth Education/Enrichment

Youth Enrichment Series (YES) After School Clubs: Mad Science currently is hosting STEM enrichment during the YES after school clubs. Instructors are providing Robotics at Georgian Court and Science Experiments at Tanglewood Apartments.

Other Updates/Upcoming Events

HOC Academy Youth Enrichment Services is sponsoring a field trip on March 6, 2024 to the Aerospace Aviation Summit at Joint Base Andrews, Maryland hosted by the Patriots and Northrop Grumman. The summit includes competitions in Air Traffic Control, Drone, Flight Simulator, and Ship Building. Workshops include Aviation Medical, Aircraft Maintenance, Electrical and Mechanical Engineering. More information is forthcoming. Eligible students from Benjamin Banneker and White Oak Middle Schools and staff will participate. The trip is sponsored by HOCP.

HOC Academy Youth Enrichment Services is hosting a Drone special event on March 23, 2024 from 11:00 a.m. to 3:00 p.m. for families with middle and high school students. Activities will be facilitated by Escape Velocity Academy.

Adult Education and Workforce Development

AEWD is sponsoring Cohort #2 of the Microsoft 365 Training Series to include an introduction to Microsoft 365, 6-hours of Word and PowerPoint Fundamentals, 12-hours of Excel 1 and introduction to Google Suite. The course successfully started on February 1st with an introduction to Microsoft 365. There are currently 13 participants in the cohort.

Financial Literacy

The Financial Literacy Coach continued to work with HOC's customers and individuals on the Housing Path waitlist on creating a financial foundation. During February, the Financial Literacy Coach provided one-on-one financial literacy coaching to 23 HOC customers and seven individuals from the Housing Path Wait List. 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. The Financial Literacy Coach also facilitated financial literacy workshops in February for HOC customers and individuals on the Wait List.

Supportive Housing

The Supportive Housing Program provides housing assistance and case management services to participants who are formerly homeless with disabilities. The program services some of the most vulnerable residents of the county. In February, the program served 343 participants. Throughout the month program staff continued to conduct home visits with program participants, provide case management services, and pay rent and utilities. Additionally, program staff also continued to help

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Emergency Voucher recipients secure housing by providing housing location services, as well as financial assistance for application fees, security deposits, moving expenses and household items.

Program staff also continued to implement the Rent Supplement Program (RSP), which provides a shallow rental subsidy (up to \$600 monthly) to county residents who struggle to pay their full rent with their current income. In February 280 residents participated in the program this month. Staff will continue to monitor program expenditures to determine if additional participants can be served.

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 an additional grant and is currently in year four of the new grant period. The program provides parenting education, case management services, financial assistance for educational classes and training, and participation incentives. For the month of February, 28 fathers were enrolled and on Feb. 23 the program graduated 21 fathers from the February cohort.

Fatherhood Initiative Program Mid-Point Check-In

As a continued Continuous Quality Improvement (CQI) effort The Fatherhood Initiative Program hosted a "Midpoint check-in luncheon" at California Tortilla restaurant on **Feb. 7**. The event was designed to assess the progress and engagement of participating fathers in the program of Cohort 29. The luncheon served as a casual and supportive setting for fathers to come together, share experiences, and discuss their journey towards becoming more involved and responsible fathers. California Tortilla restaurant served as the ideal venue for the luncheon, providing a relaxed and enjoyable setting for fathers to unwind, connect, and share a meal. The choice of venue emphasizes the program's commitment to creating a supportive and uplifting environment.

Resident Advisory Board (RAB)

A delegation of RAB members attended and participated in advocacy at the 2024 Maryland Affordable Housing Coalition in Annapolis, Maryland on February 16, 2024. This event was an opportunity for RAB members to participate in legislative priorities, meet Delegates, discuss Governor Wes Moore's new housing initiatives, and hear from stakeholders in the affordable housing space.

HOUSING RESOURCES UPDATE

Housing Choice Voucher (HCV) Program

Monthly, HOC selects applicants from the Housing Path Wait List with the goal of achieving a 95% program utilization rate. In February the utilization rate held steady at 98%. Currently, 99 families with issued

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vouchers are searching for suitable homes to rent and 180 contracts are pending execution. This month, 300 families were selected from the HCV Wait List.

During February, the Housing Resources Division received seven requests for a voucher extension beyond the initial 90-day period. The requests included a search record reflecting the efforts made to secure housing during the voucher term and the landlords who were contacted. Two extension requests warranted a referral to the Human Rights Commission nor the Commission on Civil Rights for possible discrimination.

RENTCafé Used to Support Online Annual Recertifications

This month, HOC continued its use of RENTCafé to assist with annual recertifications. Customers with recertifications effective Feb. 1 were required to submit their annual recertification paperwork electronically. Staff enlisted the IT division to provide technical support to customers who required assistance using RENTCafé with their submission of recertification materials. Overall, 440 out of 756 customers were able to submit their paperwork electronically. We will continue to accept mailed submissions from customers who do not have email or who prefer to submit information by mail. We anticipate that more families will utilize the online portal as they become more comfortable with the technology.

Ninety-three (93) customers were recommended for program termination effective Feb. 1. The Resident Services Division worked in collaboration with the Housing Resources Division to assess client needs and to determine why recertifications were not being completed.

The Resident Services Counselors conducted outreach to every customer in the termination window to ascertain why the annual requirement was not completed and to provide assistance. They were able to assist 49 families with the recertification requirement and overturn the termination. Termination proceedings will continue for 44 families for the following reasons:

- 43 – Failed to respond to counselor outreach
- 1 – Admitted to a Nursing Home

The Housing Resources Division will continue to work collaboratively with the Resident Services Division to assist those customers facing termination.

Emergency Housing Vouchers (EHVs)

HOC has an allocation of 118 Emergency Housing Vouchers. Currently, 113 families have successfully leased homes in Montgomery County while three families have ported to other jurisdictions. Two (2) families with issued vouchers are searching for suitable homes to rent and staff are reviewing six certification packets to determine program eligibility. HOC requested nine additional referrals from HHS for the EHV Program.

Family Self Sufficiency (FSS) Update

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FSS staff continued its recruitment efforts with current enrollment standing at 366 participants. Two (2) FSS graduates achieved their goals. Through support and resources, the graduates enhanced their skills and significantly increased their household earnings. The average income increase for the graduates was \$23,560. Those graduates attained employment with Montgomery County Schools and as an insurance broker.

In February the FSS staff hosted an Income Tax Preparation workshop. FSS is partnering with The Volunteer Income Tax Assistance (VITA) program to offer this resource. This is a pivotal time of year for our customers as tax refunds often provide them with the opportunity to increase savings. Resident Counselors will continue to provide direct referrals to financial literacy programs to prepare customers for receipt of their refunds.

The FSS Coordinator conducted the quarterly meeting with the Program Coordinating Committee (PCC). The PCC is a group of service providers and other key partners whose purpose is to coordinate services and programs in the community for FSS participants. The group meets to provide guidance to the FSS program and ensure that FSS participants access the resources that can help them meet their self-sufficiency goals. PCC members responded favorably to continued participation with this work group.

FSS participants remain committed to the alliances formed with the FSS Case Managers. Due to the ongoing COVID-19 pandemic, all meetings are conducted virtually. FSS Case Managers continue to work with customers on their long- and short-term self-sufficiency goals. During monthly remote meetings, Case Managers offer integrated strategies for self-care, personal goal fulfillment and emotional support. Community partnerships continue to be a capstone of the program. In conjunction with person-centered planning efforts, Case Managers solicit feedback from customers to determine the effectiveness of previously provided resources. Maintaining continuous feedback ensures that referrals to external partners continue to meet individual goals and exceed expectations.

REAL ESTATE DEVELOPMENT UPDATE

Ivory Prize

The Housing Production Fund (HPF) was selected as a Top 25 finalist, out of more than 500 entries, for the 2024 Ivory Prize for Housing Affordability. The Ivory Prize recognizes ambitious, feasible, and scalable solutions to housing affordability and is one of the longest standing and most prestigious awards of its kind in the United States. In April, \$300,000 in grants will be awarded to winners in three categories: Construction & Design, Finance and Policy & Regulatory Reform.

SSRAC Grand Opening

The **Feb. 24** ribbon-cutting event for the grand opening of the Silver Spring Recreation and Aquatic Center (SSRAC) was the culmination of years of planning and work on HOC's most ambitious development project yet. SSRAC is a key component of HOC's overall Elizabeth Square development initiative.

Minutes

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

February 7, 2024

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, February 7, 2024 with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 4:06 p.m. Those in attendance were:

Present

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

Attending Via Zoom

Pamela Byrd, Commissioner

Also Attending

Chelsea Andrews, President/Executive Director	Aisha Memon, Senior VP, Legal Affairs/ General Counsel
Kayrine Brown, Senior Executive Vice President	Paige Gentry, Deputy General Counsel
DaVida Rowley-Blackman	Tim Goetzinger
Richard Congo	John Brouillre
Kimberly King	Zachary Marks
Tia Blount	Ken Silverman
Jay Shepherd	Ali Ozair
Rita Harris	Jackie Simon
Paulette Dudley	John Wilhoit
Morgan Tucker	

Also attending via Zoom

Kai Hsieh	Sean Asberry
Alex Laurens	Matt Husman
Darcel Cox	

IT Support

Irma Rodriquez
Aries "AJ" Cruz

Commission Support

Jocelyn Koon, Special Assistant

Chair Priest opened the meeting with the introduction of the Commission and Chelsea Andrews, President/ Executive Director, and former Commissioner Jackie Simon. Chair Priest also advised that the Status Report of the Resident Advisory Board will be provided at a later time.

I. Information Exchange

A. Community Forum

- There were no speakers to address the Board.

B. Status Report from the Resident Advisory Board

- Irma Washington, President, and Adam Pinchuk, Vice President, provided a status report to the Commission and HOC Staff. President Washington highlighted the difficulties in customer service with HOC's private property management companies and asked the Commission to address its improvement.
- President Andrews highlighted that HOC will be transitioning to Rent Café which will allow our customers/residents to provide feedback about the service they receive from management at HOC properties. Rent Cafe will allow HOC's Resident Services team the ability to improve operations.

C. Report of the President/Executive Director

- Chelsea Andrews, President/Executive Director, provided a presentation of the written report in the month of January 2024.
- Ms. Andrews spotlighted the Westwood Tower Staff Appreciation Breakfast as well as HOC in the News as well as provided updates for HOC's Maintenance, Mortgage Finance and Real Estate Divisions
- President Andrews introduced Ken Silverman, Vice President of Government Affairs, to provide the legislative update.

D. Housing Production Fund Update

- President Andrews introduced Zachary Marks, Senior Vice President of Real Estate, to provide the Housing Production Fund update.

E. Commissioner Exchange

- Commissioner Merkowitz highlighted recent report from Harvard Joint Center for Housing Studies that showed the level of cost burdens that renters are currently experiencing.

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, Merkowitz, Kelleher, Byrd, Croom, and Salomon.

A. Approval of Minutes of January 10, 2024

B. Approval of Minutes of January 10, 2024 Closed Session

III. Committee Reports and Recommendation for Action

A. Budget, Finance and Audit Committee- Com. Priest, Chair

1. **Procurement of Property Management Services: Approval to Select Bozzuto as Property Management Agent for Hillandale Gateway**

Commissioner Priest provided an overview of the item and introduced President Andrews who introduced Ali Ozair, Vice President of Property Management. Staff recommended that the Commission authorize the President/Executive Director to negotiate and execute a two-year property management contract with two one-year renewal options for Hillandale Gateway with Bozzuto. A motion was made by Commissioner Merkowitz to adopt Resolution 24-09. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

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

1. Hillandale Gateway: Approval of Additional Funding for Legal Services Provided by Gallagher, Evelius and Jones LLP for Hillandale Gateway

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Zachary Marks, Senior Vice President of Real Estate. Staff recommended that the Commission approve additional funding for legal services provided by GEJ in the amount of \$160,000, plus a \$32,000 contingency (20%), for a total of \$192,000. A motion was made by Commissioner Merkowitz to adopt Resolution 24-10. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

2. Hillandale Gateway: Approval for HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to Enter into Ground Leases Directly with Hillandale Pad II, LLC

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Kathryn Hollister, Housing Acquisition Manager, who provided the presentation. Staff recommended that the Commission authorize HOC at Hillandale AR, LLC and HOC at Hillandale NAR, LLC to enter into ground leases directly with Hillandale Pad II, LLC, in the event it is required by Hillandale Gateway's capital partners. A motion was made by Commissioner Merkowitz to adopt Resolution 24-11. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

3. Hillandale Gateway: approval of Bond Authorizing Resolutions for the Issuance of Tax-Exempt Indebtedness to Finance Hillandale Gateway

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Victoria Dixon, Senior Multifamily Underwriter, who provided the presentation. Staff recommends the Commission:

- A.** Approve Bond Authorizing Resolution(s) for issuance of tax-exempt indebtedness for the NAR Building in an amount not to exceed \$150,000,000, in one or more series as applicable, comprised of (i) private activity bonds of up to \$30,000,000 and (ii) a \$150,000,000 back-to-back construction loan from Citibank, N.A. to HOC; and
- B.** Permit tax-exempt draws on the RELOC of up to \$7,000,000 to fund the Tax-Exempt Bridge Loan; and
- C.** Approve a Bond Authorizing Resolution for execution and delivery of tax-exempt indebtedness for the AR Building in an amount not to exceed \$47,000,000.

A motion was made by Commissioner Merkowitz to adopt Resolutions 24-12a, 24-12b, and 24-12c. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

4. Scattered Sites: Authorization to Enter into a Letter of Intent for the Disposition of up to Ten Units in Montgomery Village to Habitat for Humanity Metro Maryland

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Zachary Marks, Senior Vice President of Real Estate, and Jay Shepherd, who provided the presentation. Staff recommended that the Commission approve the disposition of 10 townhouses located in Montgomery Village to HFHMM, a nonprofit corporation, and authorize the President/Executive Director, or their designee, to negotiate and execute a Letter of Intent with HFHMM to purchase the 10 units for \$90,000 each, in a condition of “as-is, where-is,” where HFHMM covers related closing costs, for use in their program in accordance with their program restrictions. A motion was made by Commissioner Merkowitz to adopt Resolution 24-13. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

5. Scattered Sites: Approval to Select and Execute a Contract with Innovative Technology, Design & Construction as General Contractor for Scattered Site Properties Pursuant to Invitation for Bid #2435

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Paul Vinciguerra, Construction Manager, and Kimberly King, Project Manager, who provided the presentation. Staff recommends that the Commission approve to:

1. Select Innovative Technology Design & Construction as the general contractor for the renovation of ten (10) scattered site units pursuant to IFB #2435; and
2. Authorize the President/Executive Director to negotiate and execute a contract with Innovative Technology Design & Construction. for \$1,238,535.64.

A motion was made by Commissioner Merkowitz to adopt Resolution 24-14. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

IV. Items Requiring Deliberation and/or Action

1. Approval to Enter into a Memorandum of Understanding with Montgomery County Department of Housing and Community Affairs to Provide Underwriting and Administration Services for the Non Profit Preservation Fund

Commissioner Merkowitz introduced President Andrews who provided an overview and introduced Ken Silverman, Vice President of Government Affairs, and Zachary Marks, Senior Vice President of Real Estate, who provided the presentation. Staff recommended that the Commission grant formal approval for HOC’s President/ Executive Director to execute a Memorandum of Understanding with the Montgomery County Department of Housing and Community Affairs for HOC to provide underwriting and administration of the County’s Non-profit Preservation Fund. A motion was made by Commissioner Mekowitz to adopt Resolution 24-15. Commissioner Byrd seconded the motion. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

Chair Priest called for a motion to recess the Commission meeting in order to reconvene in Development Corporation Meetings. A motion was made by Commissioner Croom and Commissioner Byrd seconded. Affirmative votes were cast by Commissioners Priest, Byrd, Croom, Kelleher, Merkowitz, and Salomon.

The meeting went into recess at 5:51 p.m. and reconvened at 6:00 p.m.

Chair Priest reconvened the HOC meeting and moved on to the next agenda item.

V. Items Requiring Deliberation and/or Action- Continued

Chair Priest introduced Secretary-Treasurer, Chelsea Andrews, who opened the floor for nominations for Chair, Vice Chair, and Chair Pro Tem for the 2024/2025 Election of Officers. The nominees approved for the 2024/2025 Election of Officers are as follows: Chair, Roy Priest; Vice Chair, Jeffrey Merkowitz; and Chair Pro Tem, Robin Salomon. Chair Priest thanked Commissioner Kelleher for serving a term as Vice Chair.

Based upon this report and there being no further business to come before this session of the Commission, Chair Priest adjourned the meeting at 6:06 p.m.

Respectfully submitted,

Chelsea Andrews,
Secretary-Treasurer

/jlk

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Special Session Minutes

February 22, 2024

A Special Session of the Housing Opportunities Commission of Montgomery County was conducted via virtual platform on Thursday, February 22, 2024, with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland beginning at 6:32 pm. Those in attendance were:

Present

Roy Priest, Chair
Frances Kelleher, Vice Chair
Robin Salomon, Commissioner
Linda Croom, Commissioner

Absent

Pamela Byrd, Commissioner
Jeffery Merkowitz, Commissioner

Also Attending

Chelsea Andrews, President/ Executive Director
Kayrine Brown, Senior Executive Vice President
Aisha Memon, Senior Vice President of Legal Affairs/General Counsel
Ken Silverman, Vice President of Legislative Affairs
John Broullire, Director of Risk Management

IT Support

Aries Cruz
Irma Rodriguez

Commission Support

Jocelyn Koon, Special Assistant to Commission

Chair Priest opened the meeting with welcome remarks and an introduction to the Special Session of the Housing Opportunities Commission of Montgomery County. Chair Priest introduced Commissioners Kelleher, Salomon, and Croom. Commissioner Merkowitz and Byrd were necessarily absent.

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

Based upon this report and there being no further business to come before this session of the Commission, the Commission adjourned the open session at 6:33 p.m., and reconvened in closed session at 6:45 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 virtual closed session held on February 22, 2024 at approximately 6:45 p.m. with moderator functions occurring at 10400 Detrick Avenue, Kensington, MD 20895. The meeting was closed under the authority of Sections 3-305(b)(7) and 3-305(b)(13) to obtain legal advice about potential liability exposure at an HOC property.

The meeting was closed and the closing statement dated February 22, 2024 was adopted on a motion made by Commissioner Priest, seconded by Commissioner Salomon, with Commissioners Priest, Kelleher, Salomon, and Croom voting in approval. Commissioners Merkowitz and Byrd were necessarily absent and did not participate in the vote. The following persons were present: Roy Priest, Frances Kelleher, Robin Solomon, Linda Croom, Chelsea Andrews, Kayrine Brown, Aisha Memon, Ken Silverman, John Brouillire and Jocelyn Koon.

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

1. **Topic:** Obtaining legal advice about potential liability exposure at an HOC property (pursuant to Sections 3-305(b)(7) and 3-305(b) (13)).
 - a. **Action Taken:** The Commission received information and determined to reconvene a meeting on February 23 if necessary.

The closed session was adjourned at 7:22 p.m.

Respectfully submitted,

Chelsea Andrews,
Secretary-Treasurer

Consent

DESIGNATION OF AISHA MEMON AS RESIDENT AGENT FOR THE HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

March 6, 2024

- The Code of Maryland, Md. Code Ann., Local Govt § 1-1301, requires each government entity to appoint a resident agent for the purpose of accepting service of process for the government entity.
- The statute requires a certified copy of a resolution authorizing the designation in the absence of designation in the government entity's charter or bylaws.
- The Commission desires to appoint Aisha Memon, Senior Vice President of Legal Affairs and General Counsel, to serve as the Commission's resident agent.

Resolution No.: 24-16

RE: Designation of Aisha Memon as Resident Agent for the Housing Opportunities Commission of Montgomery County

WHEREAS, local government entities in the state of Maryland are required under Section 1-1301 of the Local Government Article of the Code of Maryland (the “Statute”), to designate a Resident Agent by submitting a filing with the State Department of Assessments and Taxation (“SDAT”);

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) is a local governmental entity for purposes of the Statute and is required to designate a Resident Agent for service of process on behalf of the Commission;

WHEREAS, absent a designation in the charter of the governmental entity, SDAT requires a certified copy of a resolution of the governmental entity’s governing authority authorizing the designation; and

WHEREAS, the Statute requires the Resident Agent to be a resident of the State, a Maryland corporation, or an officer of the governmental entity.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County hereby designates Aisha Memon, Senior Vice President of Legal Affairs and General Counsel at HOC, whose address is 10400 Detrick Avenue, Kensington, Maryland, as its Resident Agent.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes the Resident Agent to file the necessary papers with SDAT.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County hereby authorizes the Resident Agent to accept service of process on behalf of the Commission and take any and all appropriate actions as required by a Resident Agent.

BE IT FURTHER RESOLVED that this Resolution hereby supersedes any and all prior resolutions designating a resident agent.

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on March 6, 2024.

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Chelsea J. Andrews
President / Executive Director

*Items Requiring
Deliberation
and/or
Action*

ADOPTION OF HOC'S FIVE-YEAR STRATEGIC PLAN FOR 2024-2029

March 6, 2024

- In early 2023, HOC retained Public Works, LLC and embarked on developing a new Five-Year Strategic Plan for 2024-2029.
- HOC and Public Works held a total of 37 stakeholder meetings, including almost 400 individuals and conducted extensive surveys garnering almost 2,000 individual responses, in addition to conducting extensive research and evaluation of internal and external sources.
- The Commission held four Special Meetings to review these findings and develop HOC's new Mission & Vision Statements, Core Values, and Goals & Objectives.
- Following tentative approval at the Commission's Special Meeting on February 29, 2024, staff has prepared a final draft of the Strategic Plan, adding the following language on Page 7 of the plan per Commission direction:

The Goals and Objectives outlined in this Strategic Plan are intended to serve as guideposts for HOC. These potential new initiatives, like everything HOC does, will require detailed feasibility and financial analyses so that the Commission can properly evaluate costs and benefits when making decisions about resource allocation and program design.
- Staff requests the Commission's approval of Resolution 24-17, Adoption of HOC's Five-Year Strategic Plan for 2024-2029.

MEMORANDUM

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, President/Executive Director

FROM: Kayrine Brown, Senior Executive Vice President
Ken Silverman, Vice President, Government Affairs
Tia Blount, Vice President, Public Affairs & Communications

RE: Adoption of HOC's Five-Year Strategic Plan for 2024-2029

DATE: March 6, 2024

OVERALL GOAL & OBJECTIVE:

Formal adoption of HOC's Five-Year Strategic Plan for 2024-2029.

BACKGROUND:

HOC operates pursuant to the values, vision, and mission of its Five-Year Strategic Plan. To update its plan for the next five years, HOC retained Public Works, LLC to assist in developing its 2024-2029 Strategic Plan, and solicited input from a diverse array of internal and external stakeholders by conducting 30 stakeholder interviews, virtual and in-person town halls attended by almost 300 people, and surveys for staff, customers, and the general public which that received almost 2,000 responses.

The Commission held a public retreat on August 14, 2023 and special meetings on October 26, 2023, December 11, 2023 and February 29, 2024, and provided guidance and direction to staff to develop and refine a new vision, mission, core values, goals, and objectives.

Following the adoption of the new 2024-2029 Five-Year Strategic Plan, HOC will post the full document on its website and share its findings with all stakeholders, and embark on developing a more detailed Implementation Plan.

DISCUSSION:

Following the Commission's direction at the February 29, 2024 special meeting, the following paragraph has been added to page 7 of the final Strategic Plan:

The Goals and Objectives outlined in this Strategic Plan are intended to serve as guideposts for HOC. These potential new initiatives, like everything HOC does, will require detailed feasibility and financial analyses so that the Commission can properly evaluate costs and benefits when making decisions about resource allocation and program design.

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff approve HOC's Five-Year Strategic Plan for 2024-2029?

BUDGET IMPACT:

No direct budget impact - financial and budget analysis on potential initiatives will be performed in developing the Implementation Plan.

TIMEFRAME:

For formal Commission action at the March 7, 2024 meeting.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Commission approve Resolution 24-17, Adoption of HOC's Five-Year Strategic Plan for 2024-2029.

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) operates pursuant to the values, vision, and mission of its Five-Year Strategic Plan; and

WHEREAS, HOC retained Public Works, LLC to assist in developing its 2024-2029 Strategic Plan, and has solicited input from a diverse array of internal and external stakeholders by conducting 30 stakeholder interviews, virtual and in-person town halls attended by almost 300 people, and surveys for staff, customers, and the general public that received almost 2,000 responses; and

WHEREAS, the Commission held various special meetings to develop and refine a new vision, mission, core values, goals, and objectives to guide HOC’s operations and decisions over the next five years; and

WHEREAS, following the adoption of the 2024-2029 Strategic Plan, HOC will post the full document on its website and share its findings with all stakeholders, as well as embark on developing a more detailed Implementation Plan.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County adopts the Five-Year Strategic Plan for 2024-2029.

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

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on March 6, 2024.

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Chelsea J. Andrews
President/Executive Director

Committee Reports and Recommendations for Action

Budget, Finance & Audit Committee

FISCAL YEAR 2024 (FY'24) SECOND QUARTER BUDGET TO ACTUAL STATEMENTS: ACCEPTANCE OF THE SECOND QUARTER FY'24 BUDGET TO ACTUAL STATEMENTS

March 6, 2024

- The General Fund ended the second quarter of fiscal year 2024 with a positive variance as a result of savings in various expense categories despite a negative income variance due to delayed Commitment and Development Fee income which are anticipated to materialize later in FY 2024 or shift to FY 2025, and lower draws on the Opportunity Housing Reserve Fund (“OHRF”).
- At the end of the second quarter, several of the unrestricted properties in the Opportunity Housing Fund underperformed budget expectations as a result of overages in various expense categories coupled with lower tenant income.
- The Housing Choice Voucher (“HCV”) Program experienced an administrative surplus through December 31, 2023, due to higher than anticipated administrative fee income coupled with a positive variance in administrative expenses.
- The Agency ended the second quarter of fiscal year 2024 with a net cash flow shortfall of (\$3,653,386), which resulted in a second quarter budget to actual negative variance of (\$3,300,330) when compared to the anticipated second quarter net cash flow shortfall of (\$353,056).
- The Budget Finance and Audit Committee reviewed this request at its meeting on February 21, 2024, and joins staff’s recommendation that the Commission accept the second quarter of fiscal year 2024 budget to actual statements.

M E M O R A N D U M

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews, President/Executive Director

FROM: Staff: Timothy Goetzinger, Senior Vice President Finance/CFO
Terri Fowler, Budget Officer

RE: **Fiscal Year 2024 (FY'24) Second Quarter Budget to Actual Statements:**
Acceptance of the Second Quarter FY'24 Budget to Actual Statements

DATE: March 6, 2024

OVERALL GOAL & OBJECTIVE:

Commission acceptance of the Second Quarter FY'24 Budget to Actual Statements.

BACKGROUND:

The President/Executive Director presented the Second Quarter Budget to Actual statements to the Budget, Finance and Audit Committee for informal review. Recommendation is now presented to the full Commission for acceptance.

ISSUES FOR CONSIDERATION:

To assess the financial performance of the Housing Opportunities Commission of Montgomery County ("Agency") for the second quarter of FY'24 against the budget for the same period.

BUDGET IMPACT:

None for FY'24.

TIME FRAME:

For formal Commission action at the March 6, 2024 meeting.

The Budget, Finance and Audit Committee informally discussed the Second Quarter FY'24 Budget to Actuals at the February 21, 2024, meeting and supports staff's recommendation.

STAFF RECOMMENDATION & COMMISSION ACTION NEEDED:

Staff requests that the Commission formally accept the Second Quarter FY'24 Budget to Actual Statements.

DISCUSSION – SECOND QUARTER BUDGET TO ACTUAL STATEMENTS

This review of the Budget to Actual Statements for the Agency through the second quarter of FY'24 consists of an overall summary and additional detail on the Opportunity Housing properties, the Development Corporation properties, the Housing Choice Voucher (“HCV”) Programs and all Capital Improvements Budgets.

HOC Overall (see Attachment A)

The Agency’s Audited Financial Statements are presented on an accrual basis, which reflects non-cash items such as depreciation and the mark-to-market adjustment for investments.

The Commission approves the Operating Budget at the fund level based on a modified accrual basis, which is similar to the presentation of budgets by governmental organizations. The purpose is to ensure that there is sufficient cash income and short-term receivables available to pay for current operating expenditures.

The Commission approves the revenues, expenses, and unrestricted net cash flow from operations for each fund. Unrestricted net cash flow in each fund is what is available to the Commission to use for other purposes. The FY’24 Second Quarter Operating Budget to Actual Comparison (Attachment A) shows unrestricted net cash flow or deficits for each of the funds. Attachment A also highlights the FY’24 Second Quarter Budget to Actual Comparison for Capital Expenses.

The Agency ended the quarter with a net cash flow shortfall of **(\$3,653,386)**. This shortfall resulted in a second quarter budget to actual negative variance of **(\$3,300,330)** when compared to the anticipated second quarter net cash flow shortfall of **(\$353,056)**. The primary causes continue to be lower unrestricted cash flow in some of the unrestricted Opportunity Housing properties as a result of property performance (see Opportunity Housing Fund), coupled with lower fee income in the General Fund partially offset by savings in various expense categories in the fund (see General Fund).

Explanations of Major Variances by Fund

The **General Fund** consists of the basic overhead costs for the Agency. This fund ended the period with a deficit of **(\$3,978,406)**, which resulted in a positive variance of \$203,485, when compared to the projected deficit of **(\$4,181,891)**.

As of December 31, 2023, income in the General Fund was \$3,075,861 lower than budgeted and expenses were \$3,279,346 lower than budgeted.

The negative income variance was primarily the result of delays in the receipt of the Commitment and Development Fees scheduled for the first six months of FY 2024. It is important to recognize that the numbers are estimates based on current plans; however, they are subject to changes in the financial market and project costs.

- The Commitment and Development Fees for the Metropolitan will not be received until FY 2025, based a shift in the timing of the renovation, and have been incorporated into the FY 2025 Budget that is being developed. The commitment fee is currently anticipated to be lower by approximately \$428k of which 40% or \$171k will negatively impact the General Fund.
- Both fees for Hillandale have shifted to the third quarter of FY 2024; however, the commitment fee amount is anticipated to be lower by approximately \$671k of which 40% or \$268k will negatively impact the General Fund, based on the current rate environment, which has resulted in a lower loan amount.
- The Development Fees for Bauer Park have shifted to the second half of FY 2024 and have also been reduced slightly to account for the final payment, following the completion issuance of the Internal Revenue Service Form 8609, Low-Income Housing Credit Allocation and Certification, now anticipated for September 2024.
- The projected Development Fees for the Leggett were delayed and are now anticipated to be received in two equal installments of approximately \$796k; one in late FY 2024 and one in FY25, based on achieving certain milestones. The fee for FY'25 has been incorporated into the FY 2025 Budget that is being developed.
- Stewartown Homes received a portion of the anticipated fees with the projected balance of \$528k to be received by FY 2024 year-end.
- Finally, Residences on the Lane received the majority of its anticipated fees in December 2023 and the balance of \$150k will be received in the fourth quarter of FY 2024.

There were also lower draws from the Opportunity Housing Reserve Fund (“OHRF”) for Real Estate personnel and predevelopment costs.

The positive expense variance was primarily the result of lapse in salary and benefits coupled with savings in professional services, computer software, utilities, maintenance contracts, and savings in capital projects, which resulted in lower transfers from the operating budget to cover the cost of the projects.

The **Multifamily Bond Fund** and **Single Family Bond Fund** are budgeted to balance each year.

Income (the bond drawdowns that finance the administrative costs for these funds) is consistent with the budget. The Multifamily and Single Family Bond Funds experienced positive expense variances of \$101,526 and \$88,962, respectively, as a result of salary and benefit lapse coupled

with savings in legal and financial services in the multifamily fund.

The Opportunity Housing Fund

Attachment B is a chart of the Net Cash Flow for the Development Corporation properties. This chart divides the properties into two groups.

The first group includes properties that were budgeted to provide unrestricted net cash flow toward the Agency's FY'24 Operating Budget. This group ended the quarter with cash flow of \$1,717,863 or \$1,337,160 less than projected.

- **Alexander House Dev Corp** ended the quarter with a deficit of (\$200,683), which resulted in a negative cash flow variance of \$174,097 when compared to the projected negative deficit of (\$26,586), primarily from greater than anticipated maintenance and bad debt expense coupled with higher concessions and vacancy loss.
- **The Barclay Dev Corp** negative cash flow was \$47,172 less than anticipated based on savings in most expense categories.
- **Glenmont Westerly Dev Corp** experienced a negative cash flow variance of \$50,033 resulting from higher maintenance, bad debt and utility expenses coupled with higher vacancy loss that was partially offset by savings in administrative costs.
- Cash flow for **Magruder's Discovery Dev Corp** was \$213,773 lower than budget at the end of December 2023 primarily based on higher vacancy loss coupled with overages in maintenance and utility costs partially offset by savings in administrative costs.
- **Metropolitan Affordable** experienced a negative cash flow variance of \$29,692 based on overages in maintenance, utility and administrative costs partially offset by lower vacancy loss at the property.
- Cash flow at **Montgomery Arms Dev Corp** was \$114,157 lower than anticipated primarily due to lower rental gross rents and higher vacancy loss. The property also experienced higher than anticipated bad debt, maintenance and administrative costs that were countered by savings in utilities expenses.
- **Paddington Square** ended the quarter with a negative cash flow variance of \$153,910 largely due to restoration expenses following a fire in one of the units coupled with lower rental revenue and higher vacancy loss. An insurance claim for the fire was

submitted last April and staff will request reimbursement for the fire related expenses.

- Cash flow for **Scattered Site One Dev Corp** was \$100,629 more than budget primarily as a result of lower bad debt and administrative costs coupled with lower vacancy loss that was partially offset by higher maintenance expense.
- Cash flow at **Sligo MPDU III** ended the period with a negative cash flow variance of \$36,296 due to higher bad debt expenses partially offset by savings in administrative and maintenance expenses.
- Cash flow for **VPC One** was \$542,165 lower than budget primarily resulting from higher vacancy loss and lower rental revenue coupled with higher bad debt, maintenance, and utility expenses that were partially offset by savings in administrative costs due to staff vacancies and lower debt service payments resulting from the refinance that occurred in August resulting in no payment for September.
- **VPC Two** experienced a negative cash flow variance of \$158,757 based on higher bad debt and utility costs coupled with higher vacancy loss partially offset by lower debt service payments resulting from the refinance that occurred in August resulting in no payment for September and savings in administrative expenses.

The second group consists of properties whose cash flow will not be used for the Agency's FY'24 Operating Budget. The deficit from this group of Development Corporation properties was \$754,977 more than budgeted through December 31, 2023.

- The **RAD 6 Dev Corp** properties ended the second quarter with a deficit of (\$1,071,719), which resulted in a negative cash flow variance of \$773,017 when compared to the projected deficit of (\$298,702). Collectively, this resulted from lower rental revenue and higher vacancy loss coupled with overages in maintenance, utility, and bad debt expenses.

Attachment C is a chart of the Net Cash Flow for the Opportunity Housing Properties. This chart divides the properties into two groups.

The first group includes properties that were budgeted to provide unrestricted net cash flow toward the Agency's FY'24 Operating Budget. This group ended the quarter with negative cash flow of \$321,124 or \$1,393,638 less than projected. Continued expenses at the vacated Elizabeth House make up \$227,561 of this cumulative deficit due to final utility payments and maintenance expenses.

Other properties are reporting year-to-date deficits based on property performance primarily due to higher maintenance costs and bad debt expense. This group contains a large segment of our scattered site portfolio. Maintenance staff have begun to inspect the units finding deferred maintenance and repairs needing attention. In addition, non-payment of rent has continued at

some of the properties. Asset Management has confirmed that properties have resumed applying late fees and started collection efforts as directed by the Commission. Some tenants have begun making payments, seeking rental assistance, or moving out which has also resulted in higher vacancy loss. Due to procedural constraints and court timelines, a transitional period with more evictions is expected, leading to increased vacancy loss. This will be managed through proactive resident payments or, if needed, eviction procedures resulting in immediate write-offs and external collections. Asset Management is exploring delinquency trackers for properties with sustained high delinquency levels in partnership with Property Management.

- **MPDU I (64)** experienced a negative cash flow variance of \$52,620 because of overages in bad debt, maintenance and utility costs partially offset by lower vacancy loss and savings in administrative expenses.
- **Avondale Apartments** reported a negative cash flow variance of \$81,953 based on higher debt service expense, due to increased rates on the PNC Real Estate Line of Credit (“RELOC”) and higher maintenance, bad debt, and utility expenses coupled with lower rental revenue and higher vacancy loss partially offset by lower administrative expenses.
- **Barclay Affordable** experienced a negative cash flow variance of \$31,072 resulting from higher maintenance and bad debt expense that were partially offset by savings in utility and administrative expenses coupled with lower vacancy loss.
- **Battery Lane** experienced a negative cash flow variance of \$266,567 largely due to higher bad debt, maintenance, and debt service expenses, due to increased rates on the PNC Real Estate Line of Credit (“RELOC”) coupled with higher vacancy loss and slightly lower rental revenue that was partially offset by savings in administrative and utility expenses.
- **Bradley Crossing** ended the period with a negative variance of \$612,378 as a result of overages in maintenance, administrative, and debt expenses, due to increased rates on the PNC Real Estate Line of Credit (“RELOC”) coupled with, lower rental revenue and slightly higher concessions that were partially offset by lower bad debt expense.
- **Camp Hill Square** experienced a negative cash flow variance of \$126,873 because of higher maintenance, bad debt, and administrative expenses coupled with higher vacancy loss that were partially offset by lower utility expenses.
- The deficit at **Holiday Park** was \$33,780 more than anticipated as a result of higher utility, maintenance and bad debt expenses that were partially offset by slightly lower vacancy loss.
- **Jubilee Horizon Court** experienced a negative cash flow variance of \$11,797 due to overages in maintenance to repair bathroom floors, bad debt, and utility costs.
- **Manchester Manor** reported a deficit of \$127,577 resulting in a negative cash flow variance of \$46,645 due to lower higher vacancy loss coupled with audit payments

that were not provided for in the budget and overages in bad debt and administrative expenses partially offset by savings in maintenance costs.

- **McKendree** experienced a negative cash flow variance of \$24,145 because of higher bad debt and maintenance expenses coupled with unplanned vacancy at the property.
- The shortfall for **MHLP IX – Pond Ridge** was \$31,411 less than budget largely based on lower vacancy loss coupled with savings in administrative costs partially offset by overages in bad debt and utility expenses.
- **MHLP IX Scattered Sites** experienced a positive cash flow variance of \$40,678 mainly due to lower vacancy loss coupled with savings in administrative costs that were partially offset by overages in bad debt, maintenance and utility expenses and lower rental revenue.
- Cash flow for **MHLP X** was \$44,651 more than budget as a result of lower debt service payments resulting from the refinance that occurred in August resulting in no payment for September and slightly lower vacancy loss partially offset by higher bad debt and HOA fee expenses.
- **Pooks Hill Mid-Rise** experienced a negative cash flow variance of \$44,178 primarily as a result of lower rental revenue and higher vacancy loss coupled with overages in maintenance costs that were partially offset by savings in administrative and utility expenses.
- **Strathmore Court** reported a negative cash flow variance of \$28,461 as a result of overages in utility, bad debt, maintenance, and administrative expenses partially offset by higher rental income.
- Cash flow for **TPP LLC Pomander Court** was \$43,815 more than anticipated due to savings in most expense categories.
- **Westwood Towers** experienced a positive cash flow variance of \$83,036 because of savings in security, tenant services, and utility expenses coupled with lower concessions partially offset by higher legal and maintenance costs coupled with higher vacancy loss at the property.
- Cash flow at **The Willows** was \$40,029 lower than anticipated due to overages in maintenance and utility expenses that were partially offset by savings in administrative expenses coupled with higher gross rents.

The second group consists of properties whose cash flow will not be used for the Agency's FY'24 Operating Budget. Some of these properties have legal restrictions on the use of cash flow; others may have needs for the cash flow. The Cash flow deficit for this group of properties was \$1,710,697 more than budgeted. Similar to the unrestricted properties in this chart, several properties reported a deficit at the end of the period with major contributors of higher maintenance, utility and bad debt expense coupled with higher vacancy loss at some of the

properties.

- The demolition of **The Ambassador** was completed in April of 2020. The property experienced expenses of \$49,963 driven by interest paid on the outstanding debt on the PNC RELOC, filing fees for the tax return and personal property taxes. There are sufficient reserves at the property to cover the costs.
- **Brooke Park** experienced a negative cash flow variance of \$46,579, mainly resulting from a delay in occupying the units post renovation coupled with small overages in most expense categories.
- **Brookside Glen** reported a negative cash flow variance of \$167,099 at the end of the second quarter due to higher vacancy loss coupled with higher maintenance, utility, and bad debt expenses that were partially offset by savings in administrative costs.
- **Cider Mill** reported a negative cash flow variance of \$1,395,529 due to overages in bad debt, maintenance, administrative, utility, and security costs coupled with higher vacancy loss.
- **Diamond Square** ended the period with a negative cash flow variance of \$70,199 primarily resulting from higher bad debt, administrative, and utility costs coupled with higher vacancy loss that was partially offset by savings in maintenance expenses.
- Cash flow for the **NCI** and **NSP** units collectively were \$29,196 and \$14,959 lower than budget, respectively, due to four of the fourteen NCI units remaining vacant coupled with overages in maintenance and bad debt expenses, and two of the seven NSP units remaining vacant.
- **State Rental Combined** experienced a negative cash flow variance of \$40,946 due to higher overages in bad debt and utility expenses that were partially offset by lower vacancy loss coupled with small savings in administrative and maintenance costs.

The Public Fund (Attachment D)

- The Housing Choice Voucher Program (“HCVP”) ended the second quarter with a surplus of \$1,474,315. This is comprised of an administrative surplus of \$1,658,856 countered by Housing Assistance Payment (“HAP”) payments that exceeded HAP revenue by \$184,541. The HAP shortfall will be covered by a draw from the HCVP reserve known as the Net Restricted Position (“NRP”), which includes funds received in prior years that were recognized but not used. The administrative surplus was the result of higher than anticipated administrative fee income coupled with savings in administrative expenses due largely to staff turnover. The higher administrative fee income was primarily the result of a higher utilization and fees received for additional homeless vouchers.

Tax Credit Partnerships

The Tax Credit Partnerships have a calendar year end and as a result are not included in this fiscal

year presentation.

The Capital Budget (Attachment E)

Attachment E is a chart of the Capital Improvements Budget for FY'24. The chart is grouped in two sections – General Fund and Opportunity Housing properties. This report is being presented for information only. Most of the variances in the capital budgets reflect the timing of expenditures. Capital projects are long-term; therefore, it is difficult to analyze each project on a quarterly basis. We will keep the Commission informed of any major issues or deviations from the planned Capital Improvements Budget.

There were several properties with nominal unplanned capital expenditures that have sufficient reserves to cover the expense.

- **Battery Lane** exceeded its capital budget as a result of unplanned flooring replacements.
- **Bradley Crossing** exceeded its capital budget as a result of boiler repairs after a burst pipe, coupled with unbudgeted HVAC replacements.
- **Glenmont Crossing** exceeded its capital budget as a result of higher than expected flooring, HVAC and appliance replacements.
- **Holiday Park** exceeded its capital budget due to unanticipated replacements of HVAC and water heater units.
- **Jubilee Horizon Court** experienced unanticipated capital expenditures as a result of a water leak.
- **Ken Gar** experienced unanticipated capital expenditures for window, roofing, flooring and appliance replacements.
- **Metropolitan Affordable** exceeded its capital budget as a result of higher than anticipated HVAC expenditures.
- **Pooks Hill Highrise** exceeded its capital budget primarily due to restoration of three elevators.
- **Pooks Hill Midrise** exceeded its capital budget due to unanticipated replacements of flooring, HVAC, and appliances.
- **Sligo MPDU III** exceeded its capital budget as a result of unanticipated kitchen and bathroom work, and HVAC replacements.
- Finally, **Washington Square** exceeded its capital budget due to flooring and appliance replacements and a full renovation of one unit.

The majority of the properties have sufficient property reserves to cover the overages. Where this is not the case, staff are reviewing the obligations from the Opportunity Housing Property Reserve (“OHPR”) to ensure sufficient funds are available to cover the balance of the overages.

Resolution No. 24-18

**Re: Acceptance of the Second Quarter
FY'24 Budget to Actual Statements**

WHEREAS, the Budget Policy for the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”) states that quarterly budget to actual statements will be reviewed by the Commission; and

WHEREAS, the Commission reviewed the Second Quarter FY’24 Budget to Actual Statements during its March 6, 2024 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby accepts the Second Quarter FY’24 Budget to Actual Statements.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on March 6, 2024.

Chelsea J. Andrews
President / Executive Director

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FY 2024 Second Quarter Operating Budget to Actual Comparison

	Unrestricted Net Cash Flow		
	(6 Months) Budget	(6 Months) Actual	Variance
General Fund			
General Fund	(\$4,181,891)	(\$3,978,406)	\$203,485
Administration of Multifamily and Single Family Fund			
Multifamily Fund	\$1,184,359	\$1,285,885	\$101,526
Draw from / (Restrict to) Multifamily Bond Fund	(\$1,184,359)	(\$1,285,885)	(\$101,526)
Single Family Fund	\$7,356	\$96,318	\$88,962
Draw from / (Restrict to) Single Family Bond Fund	(\$7,356)	(\$96,318)	(\$88,962)
Opportunity Housing Fund			
Opportunity Housing Properties	\$1,072,514	(\$321,124)	(\$1,393,638)
Development Corporation Property Income	\$3,055,023	\$1,717,863	(\$1,337,160)
Restricted Development Corporations with Deficits	(\$298,702)	(\$1,071,719)	(\$773,017)
OHRF			
OHRF Balance	\$4,739,217	\$710,206	(\$4,029,011)
Excess Cash Flow Restricted	(\$4,739,217)	(\$710,206)	\$4,029,011
Draw from existing funds	\$0	\$0	\$0
Net -OHRF	\$0	\$0	\$0
SUBTOTAL - General Fund, Multifamily, Single Family, Opportunity Housing	(\$353,056)	(\$3,653,386)	(\$3,300,330)
Public Fund			
(1) Housing Choice Voucher Program HAP	(\$4,000,518)	(\$184,541)	\$3,815,977
(2) Housing Choice Voucher Program Admin	\$32,739	\$1,658,856	\$1,626,117
Total -Public Fund	(\$3,967,779)	\$1,474,315	\$5,442,094
Public Fund - Reserves			
(1) Draw from / Restrict to HCV Program Cash Reserves	\$4,000,518	\$184,541	(\$3,815,977)
(2) Draw from / Restrict to HCV Program Excess Admin Fee	(\$32,739)	(\$1,658,856)	(\$1,626,117)
SUBTOTAL - Public Funds	\$0	\$0	\$0
TOTAL - All Funds	(\$353,056)	(\$3,653,386)	(\$3,300,330)

FY 2024 Second Quarter Operating Budget to Actual Comparison

	Capital Expenses		Variance
	(12 Months) Budget	(6 Months) Actual	
General Fund			
880 Bonifant	\$50,000	\$4,483	\$45,517
East Deer Park	\$207,000	\$0	\$207,000
Kensington Office	\$100,000	\$33,123	\$66,877
Information Technology	\$915,000	\$336,674	\$578,326
Opportunity Housing Fund	\$8,259,366	\$3,282,396	\$4,976,970
TOTAL - All Funds	\$9,531,366	\$3,656,676	\$5,829,173

FY 2024 Second Quarter Operating Budget to Actual Comparison

Development Corp Properties - Net Cash Flow

	(6 Months)	Variance		(6 Months)	Variance
	Net Cash Flow Budget	Income	Expense	Net Cash Flow Actual	
Properties with unrestricted cash flow for FY 2024 operating budget					
Alexander House Dev Corp	(\$26,586)	(\$44,287)	(\$129,810)	(\$200,683)	(\$174,097)
The Barclay Dev Corp	(\$92,464)	(\$828)	\$48,000	(\$45,292)	\$47,172
Glenmont Crossing Dev Corp	\$219,076	(\$9,216)	\$14,413	\$224,273	\$5,197
Glenmont Westerly Dev Corp	\$87,450	(\$13,515)	(\$36,517)	\$37,417	(\$50,033)
Magruder's Discovery Dev Corp	\$350,781	(\$137,455)	(\$76,318)	\$137,008	(\$213,773)
The Metropolitan Dev Corp	\$946,691	\$83,825	(\$74,906)	\$955,611	\$8,920
Metropolitan Affordable	(\$205,667)	\$19,291	(\$48,983)	(\$235,359)	(\$29,692)
Montgomery Arms Dev Corp	\$166,733	(\$47,050)	(\$67,107)	\$52,576	(\$114,157)
MPDU II (59) Dev Corp	\$132,732	(\$11,580)	(\$4,886)	\$116,266	(\$16,466)
Paddington Square Dev Corp	\$215,294	(\$42,751)	(\$111,159)	\$61,384	(\$153,910)
Pooks Hill High-Rise Dev Corp	\$220,324	(\$6,183)	(\$4,006)	\$210,135	(\$10,189)
Scattered Site One Dev Corp	(\$78,016)	\$13,475	\$87,154	\$22,613	\$100,629
Scattered Site Two Dev Corp	(\$66,036)	(\$44,469)	\$44,925	(\$65,579)	\$457
Sligo MPDU III Dev Corp	(\$4,864)	\$966	(\$37,262)	(\$41,160)	(\$36,296)
VPC One Dev Corp	\$681,872	(\$447,027)	(\$95,139)	\$139,707	(\$542,165)
VPC Two Dev Corp	\$507,703	(\$57,420)	(\$101,337)	\$348,946	(\$158,757)
Subtotal	\$3,055,023	(\$744,224)	(\$592,938)	\$1,717,863	(\$1,337,160)
Properties with restricted cash flow (external and internal)					
MetroPointe Dev Corp	(\$72,403)	\$2,513	(\$5,222)	(\$75,112)	(\$2,709)
Oaks at Four Corners Dev Corp	\$30,645	(\$2,134)	\$22,883	\$51,394	\$20,749
RAD 6 Dev Corp Total	(\$298,702)	(\$282,012)	(\$491,006)	(\$1,071,719)	(\$773,017)
Ken Gar Dev Corp	\$5,811	(\$37,832)	(\$62,319)	(\$94,340)	(\$100,151)
Parkway Woods Dev Corp	\$10,139	(\$35,137)	(\$16,318)	(\$41,316)	(\$51,455)
Sandy Spring Meadow Dev Corp	\$229	(\$52,015)	(\$92,477)	(\$144,262)	(\$144,491)
Seneca Ridge Dev Corp	(\$226,931)	(\$53,342)	(\$45,245)	(\$325,518)	(\$98,587)
Towne Centre Place Dev Corp	(\$4,208)	(\$62,380)	(\$155,989)	(\$222,577)	(\$218,369)
Washington Square Dev Corp	(\$83,742)	(\$41,306)	(\$118,658)	(\$243,706)	(\$159,964)
Subtotal	(\$340,460)	(\$281,633)	(\$473,345)	(\$1,095,437)	(\$754,977)
TOTAL ALL PROPERTIES	\$2,714,563	(\$1,025,857)	(\$1,066,283)	\$622,426	(\$2,092,137)

FY 2024 Second Quarter Operating Budget to Actual Comparison
For Opportunity Housing Properties - Net Cash Flow

	(6 Months)	Variance		(6 Months)	Variance
	Net Cash Flow Budget	Income	Expense	Net Cash Flow Actual	
Properties with unrestricted cash flow for FY 2024 operating budget					
MPDU I (64)	\$1,546	\$25,363	(\$77,983)	(\$51,074)	(\$52,620)
Avondale Apartments	\$19,061	(\$20,478)	(\$61,474)	(\$62,892)	(\$81,953)
Barclay Affordable	\$9,660	\$8,645	(\$39,717)	(\$21,412)	(\$31,072)
Battery Lane	\$216,184	(\$109,838)	(\$156,729)	(\$50,383)	(\$266,567)
Bradley Crossing	\$664,391	(\$189,406)	(\$422,972)	\$52,013	(\$612,378)
Camp Hill Square	\$10,992	(\$28,886)	(\$97,986)	(\$115,881)	(\$126,873)
Chelsea Towers	\$58,629	(\$14,034)	\$10,488	\$55,083	(\$3,546)
Day Care at Lost Knife Road	(\$28,344)	\$0	(\$6,634)	(\$34,978)	(\$6,634)
Elizabeth House Interim RAD	\$0	\$5,082	(\$232,642)	(\$227,561)	(\$227,561)
Fairfax Court	(\$6,443)	\$4,898	\$11,604	\$10,059	\$16,502
Holiday Park	(\$69,636)	\$6,743	(\$40,524)	(\$103,416)	(\$33,780)
Jubilee Falling Creek	(\$1,302)	(\$495)	(\$7,319)	(\$9,116)	(\$7,814)
Jubilee Hermitage	(\$13,583)	\$275	\$1,382	(\$11,926)	\$1,657
Jubilee Horizon Court	(\$240)	(\$529)	(\$11,268)	(\$12,037)	(\$11,797)
Jubilee Woodedge	(\$7,636)	(\$114)	\$3,009	(\$4,741)	\$2,895
King Farm Village	\$1,902	\$387	(\$4,290)	(\$2,001)	(\$3,903)
Manchester Manor	(\$80,932)	(\$20,567)	(\$26,078)	(\$127,577)	(\$46,645)
McHome	\$6,347	(\$9,630)	\$12,862	\$9,579	\$3,232
McKendree	\$19,209	(\$5,688)	(\$18,457)	(\$4,936)	(\$24,145)
MHLP VII	(\$83,988)	\$468	\$3,846	(\$79,674)	\$4,314
MHLP VIII	(\$3,521)	\$18,790	(\$29,864)	(\$14,595)	(\$11,074)
MHLP IX Pond Ridge	(\$91,304)	\$42,118	(\$10,707)	(\$59,893)	\$31,411
MHLP IX Scattered Sites	(\$163,226)	\$81,318	(\$40,640)	(\$122,548)	\$40,678
MHLP X	(\$41,108)	\$2,936	\$41,715	\$3,543	\$44,651
MPDU 2007 Phase II	\$8,852	(\$7,169)	(\$5,642)	(\$3,959)	(\$12,811)
Olney Sandy Spring Road	\$0	\$125	(\$1,558)	(\$1,433)	(\$1,433)
Pooks Hill Mid-Rise	\$98,825	(\$18,902)	(\$25,277)	\$54,647	(\$44,178)
Strathmore Court	\$86,972	\$25,245	(\$53,706)	\$58,511	(\$28,461)
TPP LLC Pomander Court	(\$16,191)	\$1,086	\$42,730	\$27,624	\$43,815
TPP LLC Timberlawn	\$244,774	(\$2,040)	\$11,751	\$254,484	\$9,710
Westwood Tower	\$165,605	\$31,869	\$51,167	\$248,641	\$83,036
The Willows	\$67,019	\$24,123	(\$64,151)	\$26,990	(\$40,029)
Subtotal	\$1,072,514	(\$148,305)	(\$1,245,329)	(\$321,124)	(\$1,393,638)
Properties with restricted cash flow (external and internal)					
The Ambassador	\$0	\$0	(\$49,963)	(\$49,963)	(\$49,963)
Brooke Park	\$20,377	(\$36,602)	(\$9,977)	(\$26,202)	(\$46,579)
Brookside Glen (The Glen)	\$35,829	(\$99,547)	(\$67,551)	(\$131,270)	(\$167,099)
Brookville Road	(\$183,141)	(\$273)	\$69,684	(\$113,730)	\$69,411
CDBG Units	\$5,192	(\$430)	\$3,490	\$8,252	\$3,060
Cider Mill Apartments	(\$53,119)	(\$455,650)	(\$939,878)	(\$1,448,648)	(\$1,395,529)
Dale Drive	(\$10,878)	(\$256)	\$6,035	(\$5,099)	\$5,779
Diamond Square	\$91,779	(\$10,550)	(\$59,649)	\$21,580	(\$70,199)
NCI Units	\$12,966	(\$15,757)	(\$13,439)	(\$16,230)	(\$29,196)
NSP Units	\$13,652	(\$17,654)	\$2,695	(\$1,307)	(\$14,959)
Paint Branch	\$23,486	\$55,366	(\$36,077)	\$42,776	\$19,290
Southbridge	\$27,334	(\$11,823)	\$18,055	\$33,567	\$6,233
State Rental Combined	(\$289,107)	\$29,190	(\$70,136)	(\$330,053)	(\$40,946)
Subtotal	(\$305,630)	(\$563,986)	(\$1,146,711)	(\$2,016,327)	(\$1,710,697)
TOTAL ALL PROPERTIES	\$766,884	(\$712,291)	(\$2,392,040)	(\$2,337,451)	(\$3,104,335)

FY 2024 Second Quarter Operating Budget to Actual Comparison

For HUD Funded Programs

	(6 Months) Budget	(6 Months) Actual	Variance
Housing Choice Voucher Program			
HAP revenue	\$57,829,010	\$62,482,939	\$4,653,929
HAP payments	\$61,829,528	\$62,667,480	\$837,952
Net HAP	(\$4,000,518)	(\$184,541)	\$3,815,977
Admin.fees & other inc.	\$5,631,306	\$6,793,332	\$1,162,026
Admin. Expense	\$5,598,567	\$5,134,476	\$464,091
Net Administrative	\$32,739	\$1,658,856	\$1,626,117
Net Income	(\$3,967,779)	\$1,474,315	\$5,442,094

FY 2024 Second Quarter Operating Budget to Actual Comparison
For Capital Improvements

	(12 Months) Budget	(6 Months) Actual	Variance
General Fund			
880 Bonifant	\$50,000	\$4,483	\$45,517
East Deer Park	\$207,000	\$0	\$207,000
Kensington Office	\$100,000	\$33,123	\$66,877
Information Technology	\$915,000	\$336,674	\$578,326
Subtotal	\$1,272,000	\$374,280	\$897,720
Opportunity Housing			
Alexander House Dev Corp	\$220,700	\$47,231	\$173,469
Avondale Apartments	\$18,148	\$21,819	(\$3,671)
The Barclay Dev Corp	\$176,508	\$50,313	\$126,195
Barclay Affordable	\$187,440	\$39,517	\$147,923
Battery Lane	\$44,000	\$56,047	(\$12,047)
Bradley Crossing	\$86,898	\$106,672	(\$19,774)
Brooke Park	\$2,400	\$0	\$2,400
Brookside Glen (The Glen)	\$110,654	\$74,023	\$36,631
Camp Hill Square	\$38,600	\$28,219	\$10,381
CDBG Units	\$6,324	\$2,429	\$3,895
Chelsea Towers	\$13,800	\$7,547	\$6,253
Cider Mill Apartments	\$1,987,388	\$417,423	\$1,569,965
Dale Drive	\$8,700	\$9	\$8,691
Diamond Square	\$156,628	\$27,682	\$128,946
Elizabeth House Interim RAD	\$0	\$203	(\$203)
Fairfax Court	\$133,152	\$32,531	\$100,621
Glenmont Crossing Dev Corp	\$39,997	\$77,572	(\$37,575)
Glenmont Westerly Dev Corp	\$56,759	\$52,506	\$4,253
Holiday Park	\$9,615	\$19,819	(\$10,204)
Jubilee Falling Creek	\$0	\$518	(\$518)
Jubilee Hermitage	\$600	\$0	\$600
Jubilee Horizon Court	\$0	\$11,806	(\$11,806)
Jubilee Woodedge	\$600	\$3,867	(\$3,267)
Ken Gar Dev Corp	\$0	\$9,198	(\$9,198)
King Farm Village	\$0	\$23	(\$23)
Magruder's Discovery Dev Corp	\$82,200	\$65,596	\$16,604
Manchester Manor	\$68,580	\$39,077	\$29,503
McHome	\$27,264	\$12,602	\$14,662
McKendree	\$32,184	\$22,856	\$9,328
MetroPointe Dev Corp	\$187,634	\$45,291	\$142,343
The Metropolitan Dev Corp	\$81,302	\$51,565	\$29,737
Metropolitan Affordable	\$7,250	\$19,742	(\$12,492)
Montgomery Arms Dev Corp	\$87,000	\$36,511	\$50,489
MHLP VII	\$28,470	\$26,927	\$1,543
MHLP VIII	\$61,593	\$31,900	\$29,693
MHLP IX - Pond Ridge	\$94,588	\$23,372	\$71,216
MHLP IX - Scattered Sites	\$73,596	\$60,293	\$13,303
MHLP X	\$115,548	\$31,937	\$83,611
MPDU 2007 Phase II	\$2,540	\$0	\$2,540
617 Olney Sandy Spring Road	\$0	\$2	(\$2)
MPDU I (64)	\$67,416	\$28,195	\$39,221
MPDU II (59) Dev Corp	\$74,275	\$8,642	\$65,633
Oaks at Four Corners Dev Corp	\$153,080	\$31,028	\$122,052
NCI Units	\$8,484	\$7,629	\$855
NSP Units	\$5,004	\$6,705	(\$1,701)
Paddington Square Dev Corp	\$211,614	\$79,936	\$131,678
Paint Branch	\$15,480	\$16,825	(\$1,345)
Parkway Woods Dev Corp	\$63,850	\$6,192	\$57,658
Pooks Hill High-Rise Dev Corp	\$142,400	\$164,222	(\$21,822)
Pooks Hill Mid-Rise	\$21,900	\$48,851	(\$26,951)
Sandy Spring Meadow Dev Corp	\$38,075	\$6,603	\$31,472
Scattered Site One Dev Corp	\$227,031	\$75,042	\$151,989
Scattered Site Two Dev Corp	\$73,110	\$38,833	\$34,277
Seneca Ridge Dev Corp	\$72,216	\$34,189	\$38,027
Sligo MPDU III Dev Corp	\$17,136	\$24,466	(\$7,330)
Southbridge	\$27,996	\$7,439	\$20,557
State Rental Combined	\$589,788	\$160,873	\$428,915
Strathmore Court	\$837,552	\$231,079	\$606,473
Towne Centre Place Dev Corp	\$23,500	\$27,727	(\$4,227)
TPP LLC Pomander Court	\$23,300	\$21,830	\$1,470
TPP LLC Timberlawn	\$271,370	\$28,431	\$242,939
VPC One Dev Corp	\$257,600	\$97,097	\$160,503
VPC Two Dev Corp	\$200,292	\$95,190	\$105,102
Washington Square Dev Corp	\$45,796	\$60,312	(\$14,516)
Westwood Tower	\$250,000	\$206,639	\$43,361
The Willows	\$292,441	\$213,776	\$78,665
Subtotal	\$8,259,366	\$3,282,396	\$4,976,970
TOTAL	\$9,531,366	\$3,656,676	\$5,874,690

**UNCOLLECTIBLE TENANT ACCOUNTS RECEIVABLE:
AUTHORIZATION TO WRITE-OFF UNCOLLECTIBLE TENANT
ACCOUNTS RECEIVABLE (October 1, 2023 – December 31, 2023)**

March 6, 2024

- HOC's current policy is to provide for an allowance for any tenant accounts receivable balance in excess of 90 days.
- Additionally, HOC periodically proposes the write-off of uncollected former resident balances.
- The proposed write-off for the second quarter of Fiscal Year 2024 totaled \$368,862, an increase of \$132,684 compared to the previous quarter.
- The primary reasons for the write-offs across the properties include tenants who passed away, needed more space, are no longer in the program, no longer qualified within a program, purchased a home, skipped, voluntarily vacated their units, could not afford the unit, were evicted due to non-payment of rent, criminal activity, failed to pay rent, lease violation(s), non-compliance with program regulations, or abandoned their unit.
- The next anticipated write-off of former tenants' uncollectible accounts receivable balance will be for the third quarter of FY'24, which will cover the period from January 1, 2024 to March 31, 2024.
- The Budget Finance and Audit Committee reviewed this request at its meeting on February 21, 2024 and joins staff in its recommendation to approve the proposed write-off of uncollectible former residents' balances for the second quarter of FY'24, which totaled \$368,862.

M E M O R A N D U M

TO: Housing Opportunities Commission of Montgomery County

VIA: Chelsea J. Andrews President/Executive Director

FROM: Staff: Timothy Goetzinger, Senior Vice President, Finance/CFO
Eugenia Pascual, Controller
Nilou Razeghi, Accounting Manager
Ali Ozair, Vice President, Property Management

RE: **Uncollectible Tenant Accounts Receivable:** Authorization to Write-off
Uncollectible Tenant Accounts Receivable (October 1, 2023 – December 31, 2023)

DATE: March 6, 2024

BACKGROUND:

HOC's current policy is to provide for an allowance for any tenant accounts receivable balance, which are older than 90 days. HOC records all proposed write-offs of former tenant accounts receivable balances in HOC's Uncollectible Accounts Receivable Database as well as in the various individuals' Equifax Credit Bureau files. This process updates the financial records to reflect accurately the receivables and provides greater potential for outstanding receivable collection.

The last approved write-off of former tenant accounts receivable balances of \$132,684 was on December 20, 2023, which covered the three-month period from July 1, 2023 through September, 30, 2023 (the first quarter of fiscal year 2024).

The proposed write-off of former tenant accounts receivable balances for the second quarter of fiscal year 2024, covering October 1, 2023 through December 31, 2023 is \$368,862.

The second quarter write-off of \$368,862 is attributable to former tenants within HOC's Opportunity Housing properties, Supportive Housing properties and Section 236 properties. The primary reasons for the write-offs across the properties include tenants who passed away (\$2,537), needed more space (\$226), are no longer in the program (\$1,701), no longer qualify (\$415), purchased a home (\$457), skipped (\$117,964), voluntarily vacated their units (\$3,211), could not afford the unit (\$1,061), were evicted due to non-payment of rent (\$141,653), criminal activity (\$1,872), failed to pay rent (\$24,143), lease violation(s) (\$47,811), non-compliance with program regulations (\$3,506), and abandoned their unit (\$22,305).

The following table shows the write-offs by fund/program.

	Current	Prior			Fiscal Year 2024	Fiscal Year 2023
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
Property Type	10/01/23 - 12/31/23	07/01/23 - 09/30/23	10/01/23 - 12/31/23	10/01/23 - 12/31/23	07/01/23 - 12/31/23	07/01/22 - 12/31/22
Opportunity Housing	361,512	73,570	287,942	391.39%	435,082	27,323
Supportive Housing	7,095	19,711	(12,616)	-64.00%	26,806	30,342
RAD Properties	-	39,403	(39,403)	-100.00%	39,403	104
236 Properties	255	-	255	0.00%	255	4,141
	\$ 368,862	\$ 132,684	\$ 236,178	178.00%	\$ 501,546	\$ 61,910

The following tables show the write-offs by fund and property.

Opportunity Housing Fund

	Current	Prior			Fiscal Year 2024	Fiscal Year 2023
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	10/01/23 - 12/31/23	07/01/23 - 09/30/23	10/01/23 - 12/31/23	10/01/23 - 12/31/23	07/01/23 - 12/31/23	07/01/22 - 12/31/22
Opportunity Housing (OH) Fund						
Chelsea Towers	\$ -	\$ 331	\$ (331)	-100.00%	\$ 331	\$ -
Holiday Park	29,266	-	29,266	0.00%	29,266	-
Jubilee - Hermitage	-	6,232	(6,232)	-100.00%	6,232	-
Lasko Manor	565	-	565	0.00%	565	-
Magruders Discovery	-	-	-	0.00%	-	9,560
McHome	1,061	-	1,061	0.00%	1,061	-
McKendree	-	25	(25)	-100.00%	25	-
MHLP VII	-	2,191	(2,191)	-100.00%	2,191	-
MHLP X	-	1,136	(1,136)	-100.00%	1,136	-
MPDU I/64	-	-	-	0.00%	-	800
NCI-1 - 13057 Mill House Ct	2,793	-	2,793	0.00%	2,793	-
NSP-1 - 18884 McFarlin Dr	-	603	(603)	-100.00%	603	-
Paintbranch	-	-	-	0.00%	-	153
Scattered Site One Dev Corp	-	-	-	0.00%	-	10,840
Scattered Site Two Dev Corp	-	4,511	(4,511)	-100.00%	4,511	-
State Partnership Rental	415	2,051	(1,636)	-79.77%	2,466	634
TPM Dev Corp - MPDU II (59)	24,143	-	24,143	0.00%	24,143	769
VPC One Corp	49,099	26,787	22,312	83.29%	75,886	4,340
VPC Two Corp	254,170	29,703	224,467	755.70%	283,873	227
Total OH Fund	\$ 361,512	\$ 73,570	\$ 287,942	391.39%	\$ 435,082	\$ 27,323

Within the Opportunity Housing portfolio, the \$361,512 write-off amount was attributable to Holiday Park, Lasko Manor, McHome, NCI-1- 13507 Mill House Ct, State Partnership Rental, TPM Development Corporation – MPDU II (59), VPC One Corporation, and VPC Two Corporation. The write-offs were due to one tenant who passed away (\$565), one tenant who needed more space (\$226), one tenant who is no longer in the program (\$1,701), one tenant who no longer qualified (\$415), one tenant who purchased a home (\$457), three tenants who skipped (\$117,964), three tenants who voluntarily vacated their units (\$3,211), one tenant who could not afford the rent (\$1,061), four tenants who were evicted due to non-payment of rent (\$141,653), one tenant who failed to pay rent (\$24,143), two tenants for lease violation(s) (\$47,811) and one tenant who abandoned their unit (\$22,305).

Supportive Housing

	Current	Prior			Fiscal Year 2024	Fiscal Year 2023
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	10/01/23 - 12/31/23	07/01/23 - 09/30/23	10/01/23 - 12/31/23	10/01/23 - 12/31/23	07/01/23 - 12/31/23	07/01/22 - 12/31/22
Supportive Housing						
McKinney X - HUD	\$ 1,717	\$ 19,711	\$ (17,994)	-91.29%	\$ 21,428	\$ 15,621
McKinney XIV - HUD	5,378	-	5,378	0.00%	5,378	14,721
Total Supportive Housing	\$ 7,095	\$ 19,711	\$ (12,616)	-64.00%	\$ 26,806	\$ 30,342

Within the Supportive Housing Program, there was one tenant who had criminal activity (\$1,872), two tenants who passed away (\$1,717), and two tenants who were non-compliant with program requirements (\$3,506).

LIHTC/RAD Properties

	Current	Prior			Fiscal Year 2024	Fiscal Year 2023
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	10/01/23 - 12/31/23	07/01/23 - 09/30/23	10/01/23 - 12/31/23	10/01/23 - 12/31/23	07/01/23 - 12/31/23	07/01/22 - 12/31/22
LIHTC/RAD Properties						
Arcola Towers LP	\$ -	\$ 3,562	\$ (3,562)	-100.00%	\$ 3,562	\$ -
RAD 6 - Sandy Spring	-	25,897	(25,897)	-100.00%	25,897	-
RAD 6 - Washington Square	-	6,061	(6,061)	-100.00%	6,061	-
Waverly House LP	-	3,883	(3,883)	-100.00%	3,883	104
Total RAD Properties	\$ -	\$ 39,403	\$ (39,403)	-100.00%	\$ 39,403	\$ 104

Within the LIHTC/RAD properties, there were no write-offs to report in the second quarter of FY '24.

HUD Section 236 Properties

	Current	Prior			Fiscal Year 2024	Fiscal Year 2023
	Write-offs	Write-offs	\$ Change	% Change	Year-to-Date	Year-to-Date
	10/01/23 - 12/31/23	07/01/23 - 09/30/23	10/01/23 - 12/31/23	10/01/23 - 12/31/23	07/01/23 - 12/31/23	07/01/22 - 12/31/22
236 Properties						
Town Center Apts	\$ 255	\$ -	\$ 255	0.00%	\$ 255	\$ 4,141
Total 236 Properties	\$ 255	\$ -	\$ 255	0.00%	\$ 255	\$ 4,141

Within the 236 properties, there was one tenant who passed away (\$255).

These write-offs will be reported for pursuit of collections in accordance with the procedures outlined below.

Finance Write-Off and Recovery Procedures

1. After a tenant vacates, Resident Accounting (“RA”) receives clearance from HOC Property Management (“PM”) to post the deposit accounting in Yardi.
2. If a balance is owed, RA prepares a letter to the resident with the balance owed. PM signs and mails the letter to the resident.

3. If a resident purchased a surety bond, PM submits a claim to the bond company to collect the balance owed up to the amount of the bond. Payments made by the bond company are posted to the resident's ledger.
4. If a balance is still owed (at the time of write-off review), it is submitted for consideration to be written-off. Once approved, the write-off is posted in Yardi.
5. PM informs Compliance of the write-off and reports outstanding balances to a collection Company.

The next anticipated write-off will be for the third quarter of FY'24 covering January 1, 2024 through March 31, 2024. Upon approval, the write-offs will be processed through Yardi's write-off function with the tenant detail placed into the uncollectible accounts receivable database.

ISSUES FOR CONSIDERATION:

Does the Commission wish to accept staff's recommendation, which is supported by the Budget Finance and Audit Committee, to authorize the write-off uncollectible tenant accounts receivable for the second quarter of fiscal year 2024, totaling \$368,862?

BUDGET IMPACT:

The recommended write-off of the tenant accounts receivable balances does not affect the net income or cash flow of the individual properties or the Agency as a whole. The write-off expense was recorded when the initial allowance was established because of the receivable balance being 90 days past due. The recommended write-off is to adjust the balance sheet and remove the aged receivable balances.

TIME FRAME:

For formal action at the March 6, 2024 Commission meeting.

The Budget, Finance and Audit Committee informally discussed the Uncollectible Tenant Accounts Receivable at its February 21, 2024 meeting and supports staff's recommendation.

STAFF RECOMMENDATION:

Staff requests that the commission authorize the write-off of uncollectible tenant accounts receivable of \$368,862 for the period covering October 1 2023 to December 31, 2023.

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; and

WHEREAS, the proposed write-off of former tenant accounts receivable balances for the period of October 1, 2023 – December 31, 2023 is \$368,682 were all attributable to former tenants within HOC’s Opportunity Housing properties, Supportive Housing properties, and the 236 properties.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the President/Executive Director, or her designee, without further action on its part, to take any and all actions necessary and proper to write off \$368,682 in uncollectible accounts receivable related to (i) tenant balances that are delinquent for more than ninety (90) days, and (ii) former tenant balances, including the execution of any and all documents related thereto.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular open meeting conducted on March 6, 2024.

Chelsea J. Andrews,
President/Executive Director

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Development & Finance Committee

WHEATON GATEWAY: APPROVAL OF THE SITE PLAN AND AUTHORIZATION FOR THE DEVELOPER TO SUBMIT FOR SITE PLAN REVIEW

WHEATON GATEWAY



CHELSEA J. ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR

KAYRINE V. BROWN, SENIOR EXECUTIVE VICE PRESIDENT

ZACHARY MARKS, SENIOR VICE PRESIDENT, REAL ESTATE

ALEX LAURENS, HOUSING ACQUISITION MANAGER

March 6, 2024

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Executive Summary

MEETING GOALS

Staff seeks Commission approval of the site plan and authorization for PS Ventures, at HOC's direction, to submit to the Maryland-National Capital Park and Planning Commission ("M-NCPPC"), a Site Plan at the end of March 2024, for the Wheaton Gateway development.

Precedent to this action, the Commission approved:

- In July 2022, a Pre-development Budget and Funding plan for the full entitlement of the site and to progress Phase I construction documents and permitting.
- In February 2020, the approval of a Concept Plan and approval of a CY2020 Predevelopment Budget

AGENDA

- Executive Summary & Development Overview
- Predevelopment Timeline
- Summary of Site Plan Submission and Sketch Plan Submission
- Proposed Site Plan Submission
- Property Overview

Executive Summary – Development Plan



In January 2019, HOC completed the assemblage of 11 parcels totaling 5.4 acres known as Veirs Mill West (3.8 acres) and Veirs Mill East (1.6 acres). Located adjacent to the Ambassador Apartments, which was jointly owned as a condominium by HOC and Willco, LLC (“Willco”), the acquisition of Veirs Mill West and Veirs Mill East would create the opportunity to increase the scope for the redevelopment of the Ambassador Apartments. A partnership between HOC and a private development partner, The Duffie Companies (“Duffie”), was created for the purpose of redeveloping the Veirs Mill West site assemblage (together the HOC/Duffie joint venture being “Wheaton Gateway, LLC”).

In November 2019, the Commission approved the creation of Wheaton Venture, LLC, a partnership between Wheaton Gateway, LLC and Willco. This partnership fully unlocked the development potential of this prominent corner by earning Willco’s participation with respect to the Ambassador Apartments site and through incorporation of Willco’s corner Mattress Firm site to form what is now known as the “Wheaton Gateway” development site.

PROJECT HIGHLIGHTS:

Affordable, Mixed-Income Development:

- The Development presents an opportunity to add over 230 affordable units across all phases within a sustainable, mixed-income development near the Wheaton Metro, addressing the pressing need for affordable housing.

Established Metro Neighborhood:

- The Development benefits from being situated in an established Metro neighborhood, but one that has been challenged by the fragmented nature of land ownership. The assemblage of a large site offers flexibility in the scale, unit mix, and programming to meet the community’s needs.

Economical and Efficient Design:

- The design and construction approach is expected to be economical and efficient, targeting energy efficiency, carbon reduction, and resiliency goals, including LEED Platinum, Passive House, and Energy Star certifications. These lofty goals are intended to meet Montgomery County’s Climate Action Plan and solidify HOC as a leader within the sustainable development sector.

Established & Experienced Sponsorship:

- PS Ventures and Duffie, both trusted partners, bring longstanding project management and Montgomery County construction and development experience building mixed-income communities with a focus on sustainability and energy efficiency.

Executive Summary – Development Plan

Overall Mixed-Use & Mixed-Income

- 770+/- Units
- 65k s.f. +/- Commercial Space
- 30% affordability across all phases
- Sustainability Targets
 - LEED H Platinum
 - Energy Star Multifamily
 - Passive House Target

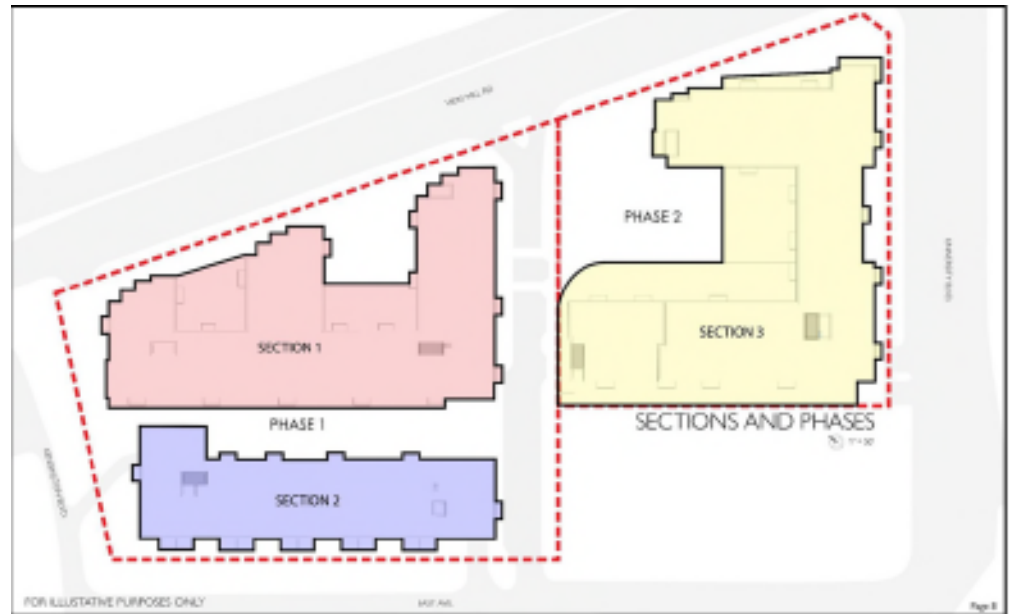
Multi-Phase: Multi-Building Program

PHASE 1

- SECTION 1
 - 320+/- Units
 - 40k s.f. +/- Commercial Space
 - Mixed-Income
- SECTION 2
 - 100+/- Units
 - Age-Restricted

PHASE 2

- SECTION 3
 - 350+/- Units
 - 25k s.f. +/- Commercial Space
 - Outdoor Features
 - Prominent Corner plaza
 - Community Use Urban Park
 - Pocket Green



Phasing and Section Diagram

Phasing Sequence

- Phase 1 will be constructed prior to Phase 2 to mitigate constructability and operability issues stemming from building the larger portion of the site and road first.
- Building Phase 1 first also preserves the economic upside of Phase 2 since there is the ability to max out FAR on Section 3 based on the performance of Phase 1 and the in-place zoning while also capitalizing on residential and commercial density to market the prominent corner retail in Section 3.

Executive Summary – Development Plan

Development Summary

Number of Units	764
Total Gross Square Feet	~919,827 SF
Gross Residential Area	~845,827 SF
Amenity Space	~58,338 SF
Retail Space	~65,000 SF
Parking Garage	~1,122 spaces ¹

Development Milestones

Construction Start	Q4 CY 2025
Construction End	Q4 CY 2028 (24-36 mos.)
First Unit Delivery	Q3 CY 2028
Stabilization Year	CY 2030

Affordability Mix ²

Market-Rate	70%
Workforce (65% AMI)	10%
MPDU (50% AMI)	20%

Unit Mix

Studio ³	21	2.8%
1BR	443	58.1%
1BR + DEN	35	4.6%
2BR	205	26.9%
3BR	39	5.1%
4BR	19	2.5%

Total across all sections and phases

1. Parking count is the total recommended by the parking consultant engaged and is based on a shared-use model across all three (3) sections and considers a potential grocer user in Section 3. The Phase 2 parking space totals can be adjusted in the future prior to finalizing design based on utilization rates within Phase 1 and changing resident and consumer demands.

2. A 30% affordability mix will apply to each of the three sections and in the aggregate across the project.

3. Studios will be market-rate only.

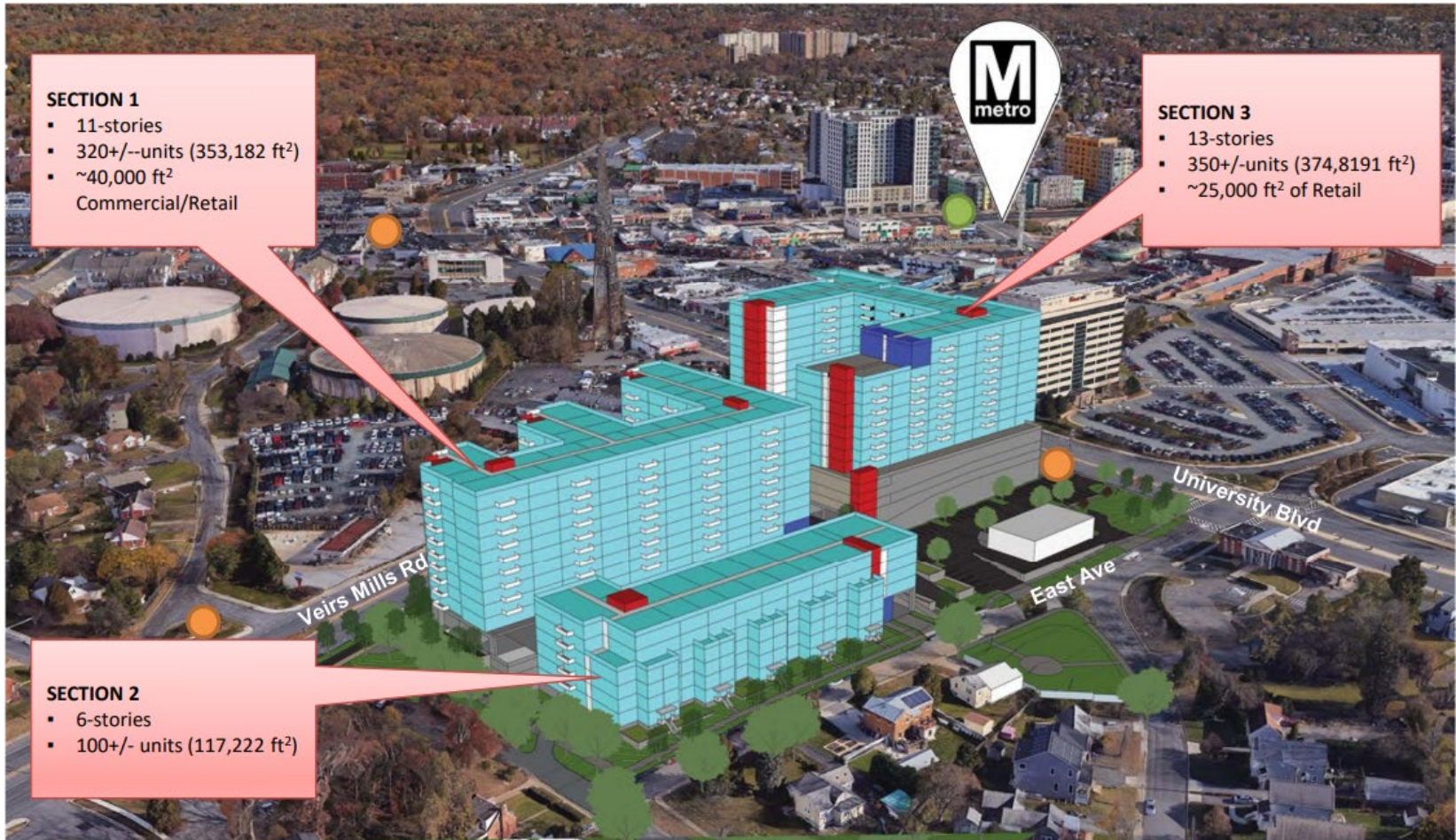
Development Phases

Age-Restricted

	SECTION 1		SECTION 2		SECTION 3		FAR MAX
Studio	11	3.4%	0	0.0%	10	2.9%	11
1 BR	181	56.2%	76	76.0%	186	54.7%	201
1 BR Den (2/1)	0	0.0%	13	13.0%	22	6.5%	24
2 BR	102	31.7%	11	11.0%	92	27.1%	99
2 BR Den	0	0.0%	0	0.0%	0	0.0%	0
3 BR	19	5.9%	0	0.0%	20	5.9%	21
4 BR	9	2.8%	0	0.0%	10	2.9%	11
TOTAL UNITS	322	100.0%	100	100.0%	340	100.0%	367
					764		790

UNITS	Wheaton Gateway (Sec. 1)	Hillandale (All)	Building B	Laureate
Studio	3.40%	0.00%	5.33%	3.36%
JR 1BR	0.00%	5.83%	16.22%	14.93%
1 BR	56.20%	54.21%	25.18%	38.06%
1 BR Den (2/1)	0.00%	6.26%	13.56%	6.34%
TOTAL 1- BR	59.60%	66.30%	60.29%	62.69%
2 BR	31.70%	28.73%	36.08%	33.58%
2 BR Den	0.00%	2.59%	0.00%	0.00%
3 BR	5.90%	2.38%	3.63%	3.73%
4 BR	2.80%	0.00%	0.00%	0.00%
TOTAL 2+ BR	40.40%	33.70%	39.71%	37.31%

Development Phases

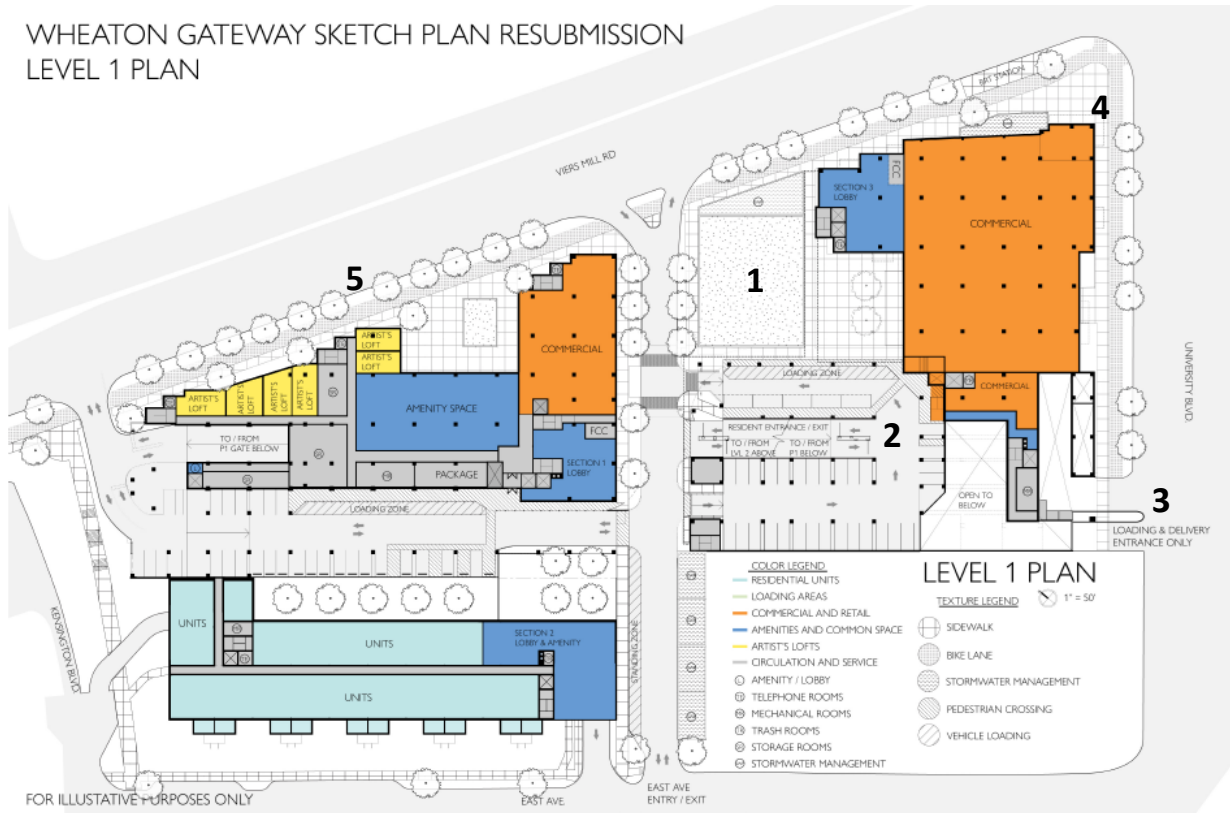


* Image shown is illustrative of massing only and does not accurately demonstrate exterior colors or materiality

Existing Sketch Plan Approval

Approved in May 2022

WHEATON GATEWAY SKETCH PLAN RESUBMISSION
LEVEL 1 PLAN



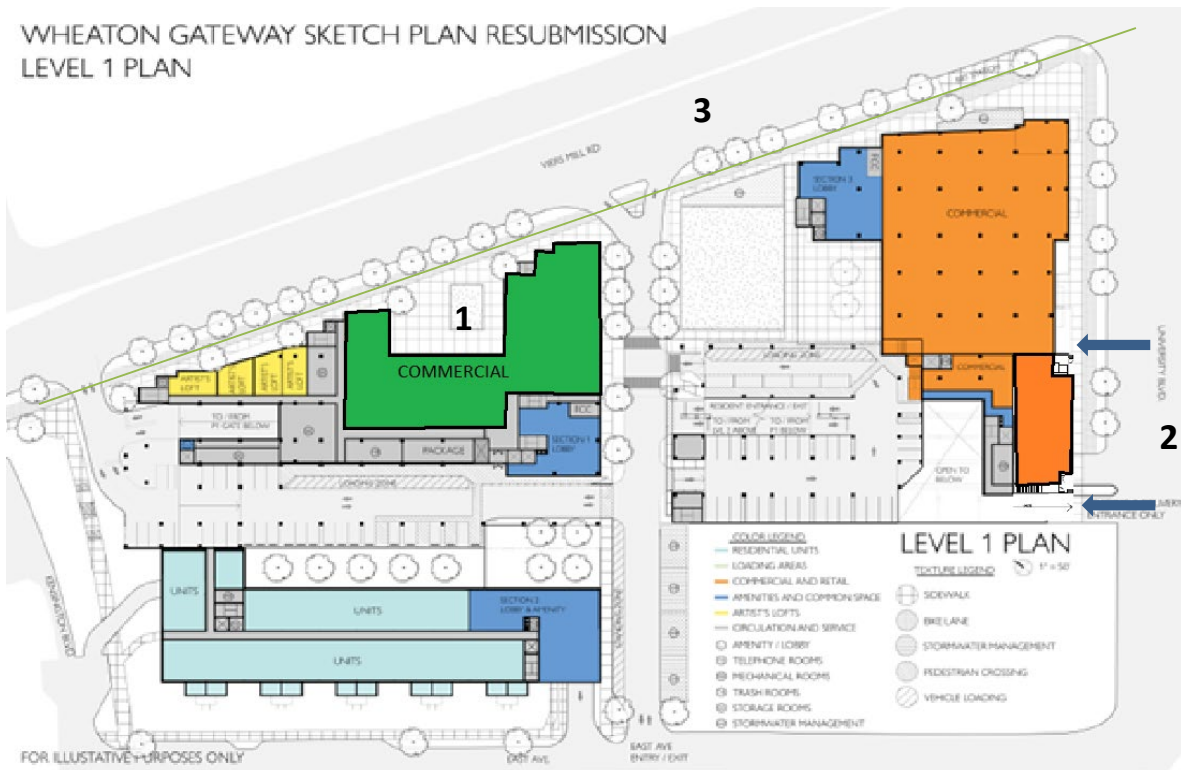
The Sketch Plan approved in May 2022:

1. Enlarged the public open space along Veirs Mill Road
2. Shifted pick-up/drop-off from the community park to within the garage
3. Consolidated the site entry/exit to a single point off University Blvd
4. Enhanced the articulation of the corner retail space
5. Incorporated a bi-directional bikeway and wider sidewalks to enhance pedestrian use

Proposed Site Plan Submission

The current Site Plan Submission accounts for the further development of the approved Sketch Plan and newly developed elevations.

WHEATON GATEWAY SKETCH PLAN RESUBMISSION
LEVEL 1 PLAN



The proposed Site Plan includes the following changes since Sketch Plan:

1. The placeholder of ground floor commercial space in lieu of residential amenity
2. Separation of Residential and Retail entrances along University Blvd
3. Utility Undergrounding along Veirs Mill Rd.

Site Plan Submission - Elevations



Perspective renderings are illustrative of the elevations that are to be submitted for Site Plan. Exterior facades are planned to be comprised of Exterior Insulation Finishing Systems (“EIFS”) and triple-glazed windows to meet Passive House standards.

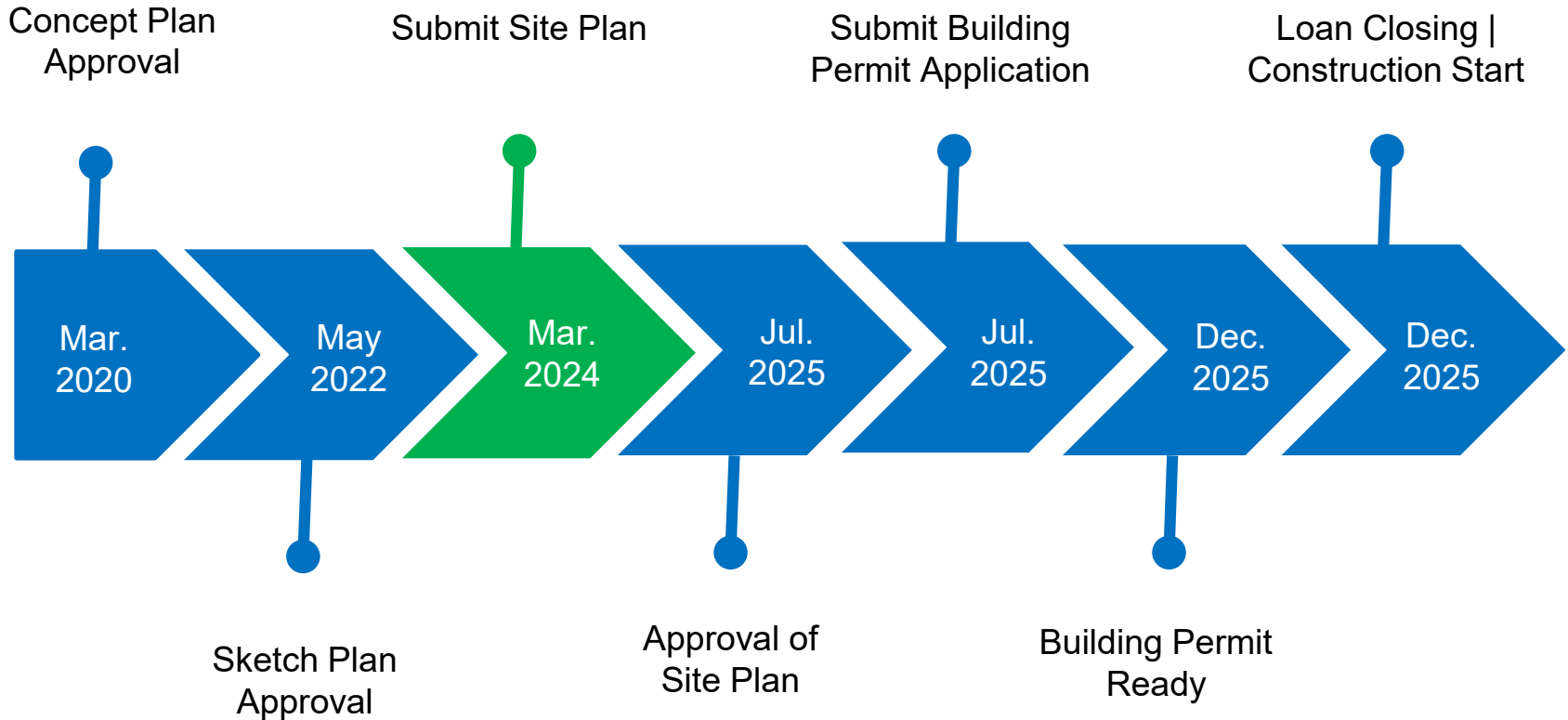
Site Plan Submission - Elevations



EIFS exterior cladding ensures better building performance, longevity, and energy efficiency at an economic cost:

- It is best to insulate buildings on the outside. This keeps everything, including the building structure warm and prevents energy loss and the risk of condensation on the interior.
- Most cost-effective form of cladding and insulation in meeting Passive House standards
- Subcontractor base availability for installation
- To maintain energy efficiency and installation cost efficiency, the application is best on rectilinear architecture with less setbacks and architectural articulation; however, articulation and texture can be achieved in the application of EIFS itself.
- Historical issues with fire protection and water barrier have been addressed via advancements in building code and its installation.

Predevelopment Timeline



Property Overview | Program

Climate Leadership

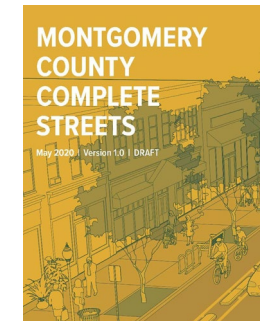
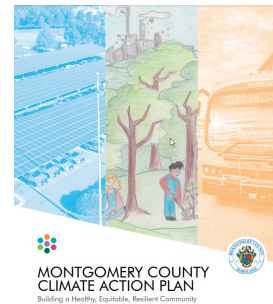
- The Development will be designed and built to the highest levels of resiliency and sustainability with a focus on human health and wellness
- Passive House, LEED Platinum, Energy Star, and WELL are all standards the project is targeting in its effort to reduce its environmental impact and meet the County's Climate Action Plan

Community Amenities

- 26,991 SF of premium amenity space in Sections 1 and 2 including:
 - State-of-the-art fitness centers
 - Club/game room with TV, kitchen, and dining spaces
 - Conference areas and co-working nooks with Wi-Fi connectivity, providing work-from-home capability
 - Theater, children's play room, and maker space
 - Rooftop deck and dog run

Retail

- Approximately 16,000 SF of ground floor retail space in Section 1 for a potential childcare tenant
- Approximately 9,000 SF of co-working and coffee shop
- 25,000 SF for corner retail



Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish accept staff's recommendation, which is supported by the Development and Finance Committee, to approve the site plan and authorize the Developer at HOC's direction, to submit to M-NCPPC a Site Plan for Wheaton Gateway herein outlined?

BUDGET/FISCAL IMPACT

There is a submission fee of approximately \$240,000 for a Site Plan submission, which will be paid from the \$19,898,188 Predevelopment Budget approved by the Commission in July 2022.

TIME FRAME

For formal approval by the Commission on March 6, 2024.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff recommends that the Commission approve the site plan and authorize the Developer, at HOC's direction, to submit to M-NCPPC, a Site Plan for Wheaton Gateway herein outlined.

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, to effect its corporate purpose, the Commission routinely acquires land and buildings in Montgomery County for the development or preservation of multifamily housing that serve eligible households; and

WHEREAS, HOC and its partners, Duffie, Inc. (“Duffie”) and Wheaton Motel Associates Limited Partnership, a Maryland limited partnership (“Willco”), have aggregated three properties at the corner of University Boulevard and Veirs Mill Road in Wheaton known as the “Wheaton Gateway Property” through their subsidiary, HOC at 11250 Veirs Mill Road, LLC (the “Venture Entity”); and

WHEREAS, the Commission is working with Duffie, Willco, and its development partner, PS Ventures, LLC, to develop Wheaton Gateway Property as a multiple phased redevelopment consisting of multiple high- and mid-rise residential buildings with approximately 790 total units (collectively known as “Wheaton Gateway”); and

WHEREAS, on January 13, 2021, the Commission approved submission of the Sketch Plan for the Wheaton Gateway Property to the Maryland-National Capital Park and Planning Commission (“M-NCPPC”) and M-NCPPC approved and the Sketch Plan in July 2022; and

WHEREAS, to further the development of the Wheaton Gateway Property, the next step in the entitlement process is to submit a Site Plan for the Wheaton Gateway Property to M-NCPPC that demonstrates (i) the density planned in elevation and plan, (ii) unit mix, affordability mix, and parking counts, (iii) storm water management facilities and landscaping plans, (iv) roads, bike facilities, and sidewalks, and (v) any and all other requirements for Site Plan approval for Wheaton Gateway (collectively, “Site Plan”).

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the Site Plan and authorizes the submission of the Site Plan to M-NCPPC for the Wheaton Gateway project.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County, acting for itself and in its capacity as the ultimate controlling member of the Venture Entity, authorizes the President/Executive Director, without any further action on its part, to take any and all other actions necessary and proper to carry out the transaction and actions contemplated herein, including the execution of any documents related thereto.

I HEREBY CERTIFY that the foregoing resolution was approved by the Housing Opportunities Commission of Montgomery County at an open meeting on March 6, 2024.

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Chelsea J. Andrews
President/Executive Director

SCATTERED SITES: AUTHORIZATION TO ENTER INTO A PURCHASE AND SALE AGREEMENT FOR THE DISPOSITION OF UP TO TEN UNITS IN MONTGOMERY VILLAGE TO HABITAT FOR HUMANITY OF METRO MARYLAND

Disposition of Scattered Sites



CHELSEA J. ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR

KAYRINE V. BROWN, SENIOR EXECUTIVE VICE PRESIDENT

ZACHARY MARKS, SENIOR VICE PRESIDENT

JAY SHEPHERD, HOUSING ACQUISITION MANAGER

March 6, 2024

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Executive Summary

The Housing Opportunities Commission of Montgomery County (“HOC”) desires to sell up to 10 vacant units in the Scattered Site portfolio, pursuant to the Scattered Site Portfolio Strategic Update, which was presented to the Development and Finance Committee on December 1, 2023 and shared with the full Commission thereafter. On February 7, 2024, the Commission approved negotiating and executing a Letter of Intent with Habitat for Humanity Metro Maryland (“HFHMM”). The 10 units are unencumbered, functionally obsolete, and require significant capital investment. They are single-family townhouse properties in an over-concentrated HOC ownership area in Montgomery Village (zip code 20886). These 10 units are also without regulatory restrictions and are held in HOC’s MPDU I (“MPDU 64”) property. MPDU 64 is an HOC-owned and controlled entity consisting of 64 scattered-site, townhouse, and single-family detached units primarily in Montgomery Village. On March 29, 2021, the outstanding first mortgage debt of \$895,819.45 was retired and thereby released the collateral on 64 homes from debt obligations. To retire the first mortgage, the Commission drew on the \$60 million PNC Bank, N.A. Line of Credit (“LOC”), and the entire balance remains outstanding with the obligation to pay interest only, which is between \$50,000-\$60,000 annually, based on current LOC interest rate.

Habitat for Humanity Metro Maryland (“HFHMM”) will purchase the 10 HOC-owned, vacant townhomes located at 9241, 9277, 9323, 9367, 9409, 9473, and 9489 Chadburn Place; 8725, 8847, and 8867 Welbeck Way, Montgomery Village. These units are all vacant and have been vacant for almost four (4) years in most cases. Each has an HOC estimated cost of over \$110,000 to renovate, possibly as high as \$150,000.

Salient terms of the sale include:

- Sale of \$90,000 per unit.
- Sold “As-is, “Where-is.”
- Closing Costs paid by the Buyer (HFHMM).

HFHMM’s Financing through DHCA may require:

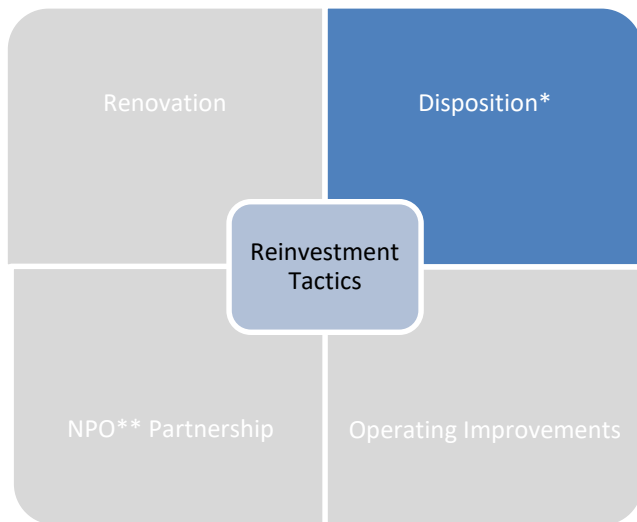
- The transaction will be divided into two (2) groups of five (5) properties each to ensure compliance with the federal funding source requirements.
- The transaction will have to go through the County Right of First Refusal process.
- If the properties are MPDUs a MPDU review/clearance will be required.
- The DHCA closing target is April 15, 2024.
- The DHCA Selection Advisory Committee met February 14, 2024 and recommended approval of the transaction to the Director.

There are 105 scattered site units, owned by HOC, in Montgomery Village (zip code 20886). This concentration of units is high relative to other zip codes in the County. HOC proposes to sell the 10 homes at a price that will retire the outstanding balance on the LOC. HFHMM proposes to comprehensively renovate the townhomes and sell them to qualified homebuyers with household incomes in the 35% - 63% of the area median income (“AMI”) range at zero percent interest financing provided by HFHMM. HFHMM retains legal and financial mechanisms to ensure there is a disincentive for the new homebuyers to turn a quick sale.

Both HOC and HFHMM are hopeful that these initial 10 homes can serve as a model for future dispositions from HOC. HFHMM is interested in additional acquisitions of vacant HOC houses at the rate of potentially 10-20 per year depending on HOC availability.

Staff is ready to obtain approvals to negotiate and execute the purchase and sale agreement for closing with HFHMM for this batch of 10 units.

Executive Summary



To meet the reinvestment needs of the Scattered Sites, in December 2023, staff has recommended a four-pronged strategy, including Dispositions, as detailed below:

- **Renovation:** Priority on younger units with lower capital needs in desirable locations (e.g., areas of high opportunity, neighborhoods with limited HOC inventory), and desirable family or accessible units.
- **Disposition:** Priority on older units with high capital needs in areas where either HOC has an abundance of inventory or has ample opportunity to acquire new MPDUs. While this disposition does not yield proceeds for acquisition of new MPDUs, it creates homeownership opportunities for low- and moderate-income households at one end of the affordable housing continuum.
- **NPO Partnership:** Direct a portion of units for renovation, disposition, or both through NPO partners, which will augment annual capacity for portfolio renovation and utilize grants and other capital available to those NPOs.
- **Operating Improvements:** Staff is placing a renewed focus on increasing occupancy, improving revenue, and reducing operating expenses. Increased net operating income would allow for the generation of some debt proceeds.***

* Should the Commission wish to maintain the existing portfolio size, staff would pair an acquisition framework with this tactic.

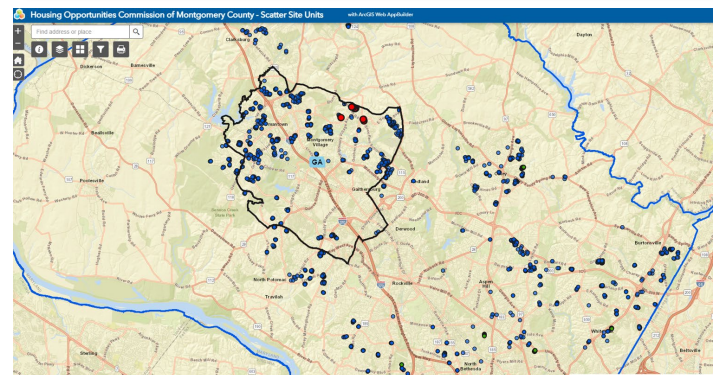
**Non-profit Organization.

***Or increased contributions to capital reserves.

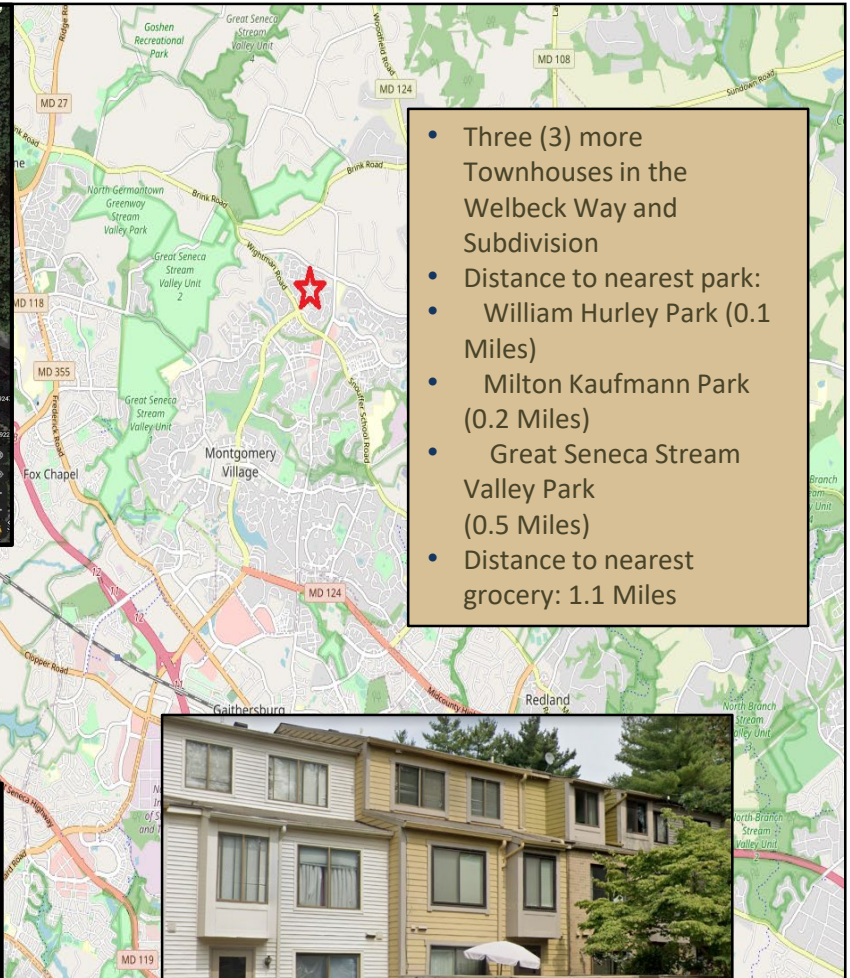
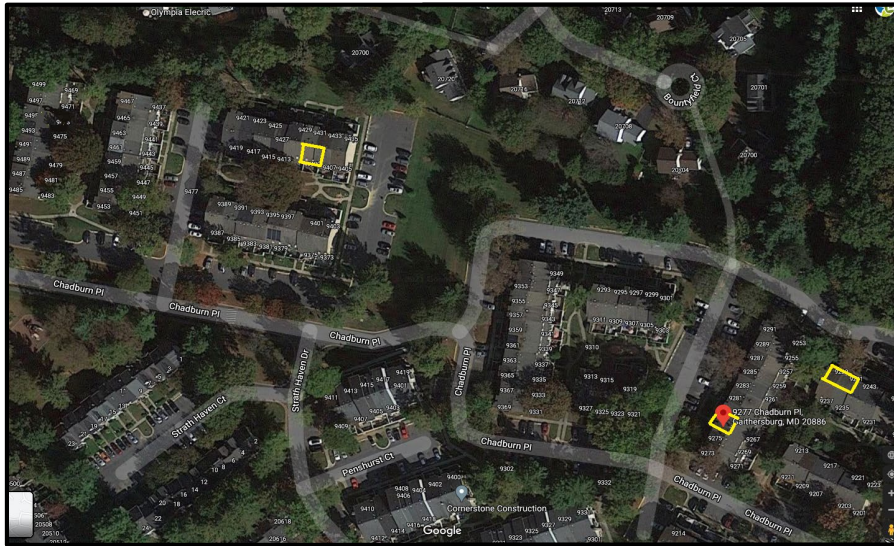
Staff identified these 10 units for disposition based on the following factors:

- 1) least impact to operations as each home has been vacant for an average of four years with no income to the agency,
- 2) each house has an anticipated cost in excess of \$125,000 to renovate before any income could be achieved,
- 3) HOC has an over concentration of ownership in Montgomery Village and selling these assets would help deconcentrate ownership,
- 4) the sale still achieves preservation of affordability as HFHMM has strict legal and financial mechanisms in place to pass affordability to new homeowners, and;
- 5) fulfills HOC mission of responsibly divesting and reinvesting proceeds into other assets for long-term affordability.

MV Concentration

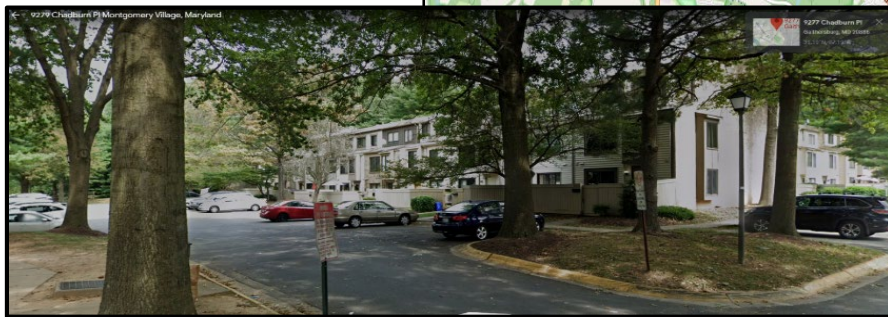


Location



- Three (3) more Townhouses in the Welbeck Way and Subdivision
- Distance to nearest park:
 - William Hurley Park (0.1 Miles)
 - Milton Kaufmann Park (0.2 Miles)
 - Great Seneca Stream Valley Park (0.5 Miles)
- Distance to nearest grocery: 1.1 Miles

• Seven (7) Townhouses in the Chadburn Place Subdivision, Montgomery Village, Gaithersburg



Habitat For Humanity of Metro Maryland



Habitat for Humanity of Metro Maryland is a nonprofit corporation that was formed under the laws of the State of Maryland on November 3, 1982, for the purpose of creating decent and affordable homeownership opportunities in Montgomery and Prince George's County, MD.

Vision

A community in which everyone has a decent place to live. While Montgomery and Prince George's County are part of the most affluent, fastest growing communities in the nation, thousands of its residents are living at or below the poverty line. Housing costs have sky-rocketed, while income growth in many jobs has remained the same. Habitat's unique homeownership model provides a solution to this problem by breaking down barriers through community partnerships, increasing access to homeownership opportunities through the rehab of vacant, distressed properties, new construction, home repair programs, and advocacy for additional housing units.

Mission

To build strength, stability and self-reliance through affordable housing. HFHMM supports the notion that good, stable housing matters for neighborhoods. Better quality of living leads to stronger citizens and families. Habitat for Humanity is about changing lives, one home at a time.

Our Impact in FY23

Projects Completed: 94
Individuals Served: 198
Families Impacted: 78

Our Impact since 1982

New Construction: 63
Rehabilitation: 39
Weatherization: 376
Major & Minor Repair: 350

Our Economic Impact

- Over \$23 million spent in local construction
- Over \$16 million in zero-interest loans extended to families
- Over \$1 million in property taxes paid by Habitat homeowners since 1982

Sale of Assets

Costs for the comprehensive renovation of the ten (10) townhomes is projected as follows:

<u>Per Home</u>	
\$117,250	Comprehensive Renovation Costs (permits, material, labor)
\$17,500	Homebuyer Marketing, Education, Loan Underwriting & Origination, Tax, Fees
\$11,750	Construction Management, Insurance, Tools, Administration, Warranty
\$18,500	Acquisition and Construction Finance Expenses, Taxes, Fees, HOA
-----	-----
\$165,000	Total Per Home Expenses (Projected Average)

Revenues from the sale of the ten (10) townhomes is projected as follows:

<u>Per Home</u>	
\$325,000	Typical Projected Sales Price
(\$60,000)	Subsidy to Provide Zero Interest Mortgage (discount charged to mortgage)
(\$10,000)	Closing Costs
-----	-----
\$255,000	Total Per Home Revenues (Projected Average)

Funds remaining for Property Acquisition (in break-even budget) is projected as follows:

<u>Per Home</u>	
\$255,000	Typical Projected Sales Revenues Per Home
(\$165,000)	Typical Projected Renovation and Sales Costs Per Home
-----	-----
\$90,000	Projected Amount Available for Property Acquisition (Per Home)
\$31,500	Assistance from DHCA for Closing Costs

Based on the projections listed above, we are respectfully requesting an **Acquisition Price** of **\$90,000** per home for the 10 homes (**total acquisition price of \$900,000**) and pays off 100% of the outstanding balance on the LOC for the MPDU 64 Debt Retirement, **and any residual amount to be applied towards accrued interest.**

SALE OF MONTGOMERY VILLAGE HOMES	
Disposition	Amount
9241 Chadburn Place	\$90,000
9277 Chadburn Place	\$90,000
9409 Chadburn Place	\$90,000
9473 Chadburn Place	\$90,000
9323 Chadburn Place	\$90,000
9367 Chadburn Place	\$90,000
9489 Chadburn Place	\$90,000
8725 Welbeck Way	\$90,000
8847 Welbeck Way	\$90,000
8867 Welbeck Way	\$90,000
Total Disposition (Acquisition Price)	\$900,000
Closing Related Costs Paid By Buyer	
Closing Costs @ 3.5%	(\$31,500)
DHCA Assistance to Buyer	\$31,500
Total Est. Net Proceeds to HOC	\$900,000

Affordability Reached

Habitat Model for creating affordable homeownership feasibility.

HFHMM purchases ten townhouses from HOC for \$90,000

Estimated Renovation Costs (permits, material, labor) per townhouse is \$117,250

Preventing Quick-Flips:

HFHMM employs three (3) mechanisms to prevent quick sales from occurring after new homebuyers take possession, that include:

1. HFHMM includes a right of first refusal in the deed. If a homeowner wants to sell their property, they return to Habitat and Habitat has 30 days to exercise the right to repurchase the home.
2. HFHMM has a shared appreciation policy, which promotes long-term wealth generation. For the first five (5) years, any appreciation in the value of the home goes wholly to Habitat in the event that a family wants to sell the property and Habitat does not exercise its right to repurchase the home. After the first five (5) years, the homeowner's share of any appreciation increases by 3% per year until it reaches 75% of any appreciation with the remaining 25% going to Habitat.
3. Lastly, if there is a difference between the value of the first mortgage and the sales price of the house, a "silent" second mortgage is placed on the property. That second mortgage is only due in the event that the family goes to sell the property, otherwise it simply sits on the property and does not need to be repaid during the time the family lives in the home.

Additional Acquisition and Renovation related expenses: \$47,750

Projected Sales Price to Homebuyer (end-user): \$325,000

Mortgage: \$902 (based on \$325,000 sales price @ 0% interest for 30 years)

Property Tax: \$295

Insurance: \$78

HOA: \$110

Total of PITI and HOA = \$1,385

Estimated monthly payments of \$1,385 will provide affordable, sustainable homeownership opportunities to households with annual incomes as low as \$55,400. We expect that typical homebuyer households will be in the 35% to 63% AMI range.

Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to accept staff's recommendation, which is supported by the Development & Finance Committee, to authorize the President/Executive Director, or her designee, to negotiate and execute a Purchase and Sale Agreement with HFHMM to purchase the 10 Scattered Site units for \$90,000 each, in a condition of "as-is, where-is," plus the cost to HFHMM of related closing expenses, for use in its program and in accordance with its program restriction?

- The 10 townhouses are located at 9241, 9277, 9323, 9367, 9409, 9473, and 9489 Chadburn Place, 8725, 8847 and 8867 Welbeck Way, Montgomery Village to HFHMM, a nonprofit corporation.

BUDGET FISCAL/IMPACT

If approved and when closed, the transaction is estimated to net approximately \$895,900 to repay the outstanding balance on the \$60 million PNC Bank, N.A. Line of Credit ("LOC") for the MPDU I debt retirement. The Budget Impacts are three-fold: 1) as the units are vacant there is no loss of current rents but there is a loss of future potential gross rents post-disposition, 2) extinguish 100% of the LOC principal and corresponding annual interest-only payments, and 3) the burden to renovate, plus on-going annual HOA Fees for each unit would also be eliminated. Fiscal impacts are also three-fold: 1) for the Assets, there is a projected gain on sale of \$726,630 and 2) for the Cash Flow, the cash received pays the LOC principal amount and any amounts remaining after closing cost or accrued interest, and 3) repayment of the LOC also increases HOC's General Obligation borrowing capacity.

TIME FRAME

For formal action at the March 6, 2024, meeting of the Commission.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff is recommending that the Commission authorize the President/Executive Director, or her designee, to negotiate and execute a Purchase and Sale Agreement with HFHMM to purchase the 10 Scattered Site units, generally located in Montgomery Village, for \$90,000 each, in a condition of "as-is", plus HFHMM's costs related to closing, for use in its program and in accordance with its program restriction.

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, as part of a four-prong approach to successfully meet the reinvestment needs of the HOC scattered site (“Scattered Site Units”), the Commission may elect to sell older units with high capital needs in areas where either HOC has an abundance of inventory or has ample opportunity to acquire new units; and

WHEREAS, on February 7, 2024, the Commission approved Resolution No. 24-13 that permitted the President/Executive Director of HOC to (i) negotiate and execute a Letter of Intent with Habitat for Humanity Metro Maryland (“HFHMM”), for the sale of 10 Scattered Site Units located at 9241, 9277, 9323, 9367, 9409, 9473, and 9489 Chadburn Place; 8725, 8847 and 8867 Welbeck Way, all in Gaithersburg, Maryland (the “Disposition Units”), and (ii) use the proceeds of the sale of the Disposition Units to repay an outstanding draw on the PNC Bank, N.A. Line of Credit in an amount up to \$895,900 and use any residual amounts to assist with closing costs or to pay any accrued interest; and

WHEREAS, the Commission desires to enter into one or more purchase and sale agreements with HFHMM to effectuate the sale of the Disposition Units for no less than \$90,000 per unit.

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the President/Executive Director, or their designee, to negotiate and execute one or more purchase and sale agreements with HFHMM for the sale of the Disposition Units and to complete the sale of the Disposition Units.

BE IT FURTHER RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes and directs the President/Executive Director, or their designee, without 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 Housing Opportunities Commission of Montgomery County at an open meeting conducted on March 6, 2024.

Resolution No.: 24-21

RE: Authorization to Enter into a Purchase and Sale Agreement for the Disposition of Up to Ten Units in Montgomery Village to Habitat for Humanity of Metro Maryland

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Chelsea J. Andrews
President / Executive Director

**HERITAGE EMORY GROVE : APPROVAL OF THE FIRST AMENDMENT
TO THE PURCHASE & SALE AGREEMENT FOR EMORY GROVE
VILLAGE AND CAMP HILL SQUARE**

GAITHERSBURG, MD



CHELSEA J. ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR

**KAYRINE V. BROWN, SENIOR EXECUTIVE VICE PRESIDENT
ZACHARY MARKS, SENIOR VICE PRESIDENT
JAY SHEPHERD, HOUSING ACQUISITION MANAGER**

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Executive Summary

In December 2021, the Commission authorized the Executive Director to enter into a Purchase and Sale Agreement (“PSA”) for the disposition of HOC’s Emory Grove Village and Camp Hill Square properties to Hailey Development, LLC (“Hailey”) for approximately \$2.5MM, adjusted at Closing based on the final actual yield and unit mix as shown in the Record Plat. Hailey would redevelop the property to include approximately 79 units of for-sale townhomes (“TH”) and 60 units of rental apartments. The sale is conditioned upon Hailey:

- Delivering 30% of all units at or below 60% AMI;
- Providing the 30% of for-sale TH lots to be Moderately Priced Dwelling Units (“MPDUs”) to Habitat for Humanity for construction at MPDU-restricted lot pricing (with Habitat targeting 30%-MPDU range for MPDU TH pricing);
- Equitable distribution of MPDUs throughout the new community with unified exterior architecture.

PSA AMENDMENT HIGHLIGHTS

Now, Hailey and HOC wish to amend the PSA to allow for the following changes:

1. Provide Hailey as the developer, and applicant of the Preliminary and Final Site Plan approvals, more flexibility for modifying the location and delivery plan of constructing the MPDUs based on final plan approval(s).
2. Allow Hailey the termination rights of Habitat should they be unable to perform by the applicable milestones or regulatory deadlines for such performance, including, for example, Habitat’s timely performance pursuant to MPDU milestone schedules applicable to market rate units.¹
3. Extend the time allowances hereto for delivery based on the delayed start of the Preliminary Site Plan process. This delay is a result of the right-of-way abandonment procedure HOC is obligated to provide and has taken nearly 12 months longer than anticipated.

Note: ¹ The potential issue of Habitat units not conforming with the County MPDU program and therefore not qualifying as MPDUs has been resolved: Habitat informed HOC that on some past townhome projects, they agreed to comply with MPDU statutes in order for impact taxes to be waived. In those cases, Habitat created an MOU with the County and sold the units under the Habitat model with MPDU restrictions. They have agreed to utilize the same approach with this project.

Staff recommends, with the supports of the Development and Finance Committee, approval by the Commission of the first amendment to the PSA.

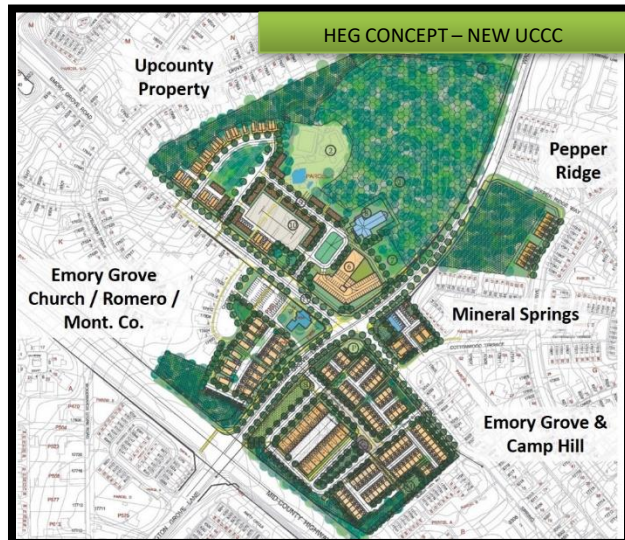
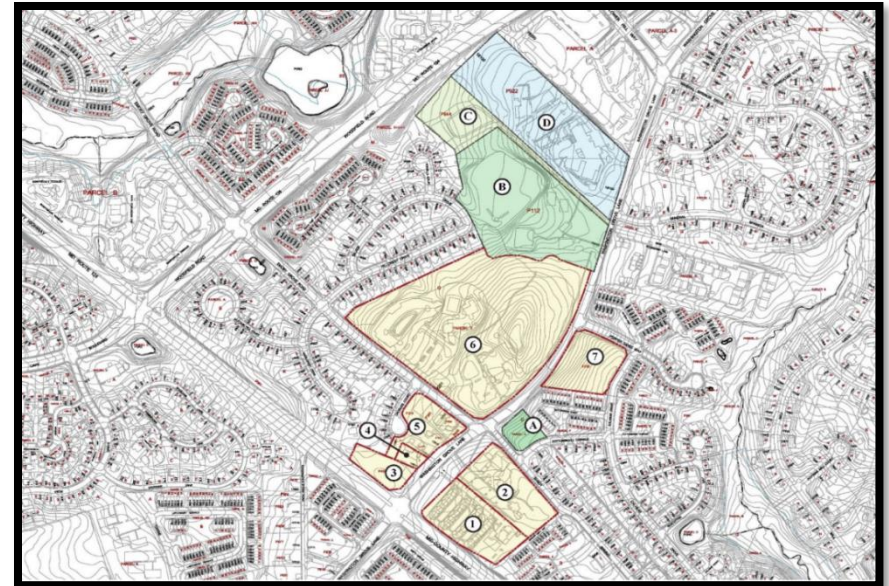
HOC & EGUMC REDEV. CONCEPT



Heritage Emory Grove Redevelopment

The vision for Heritage Emory Grove (“HEG”) started as a small proposal on land (Parcel 4 in the illustration to the right) immediately adjacent to Emory Grove United Methodist Church (EGUMC) (Parcel 5). This vision catalyzed into a community building effort between HOC (owner of parcels 1 and 2 and under PSA for development with Hailey), EGUMC and the wider Emory Grove community. In turn, collaboration on EGUMC’s property aggregation led to the HEG concept – a larger aggregation comprising EGUMC’s and HOC’s holdings along with other County and M-NCPPC properties (all remnants of Historic Emory Grove).

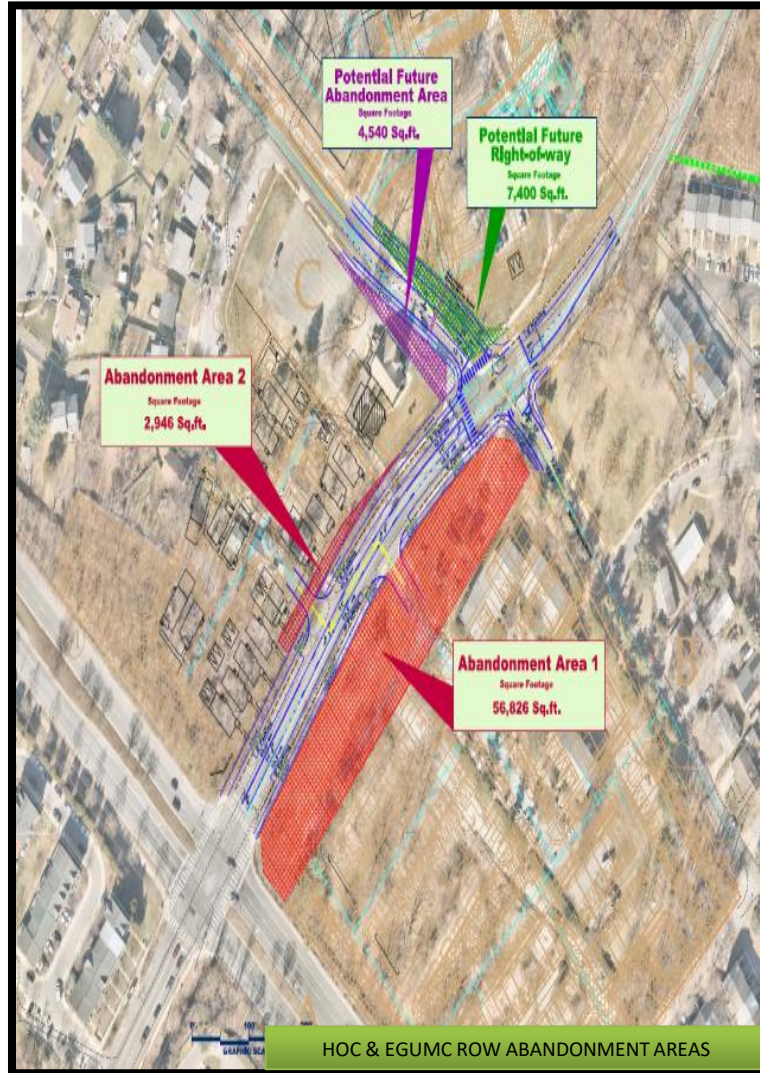
In 2023, HOC started working with the Department of General Services (“DGS”) to begin the process of transferring the County-owned parcels (Parcels 3, 6, and 7 in the illustration to the right) to HOC. To entitle the Heritage Emory Grove redevelopment, parcels 6 and 7 will require rezoning; and in general, HOC will act as master developer of the overall concept redevelopment plan with guidance from EGUMC and via outreach to the surrounding communities.



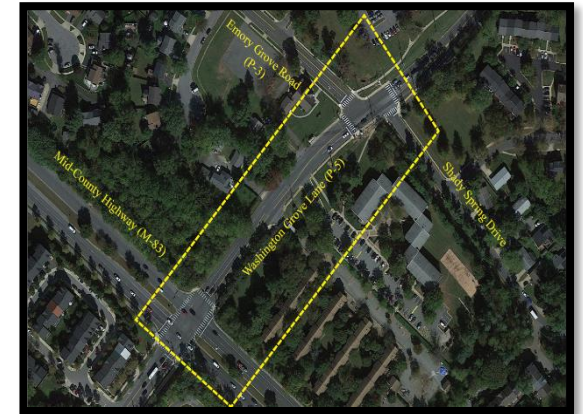
HOC OBJECTIVES

- Maintaining the historical integrity of the land and the community and adding housing, retail and community use spaces.
- Encourage green space and minimize vehicular traffic, while creating more space that is amenable to pedestrian foot traffic.
- Include at least 30% moderately priced dwelling units.
- Implementation of Vision Zero strategies and road diets to modify existing roads for maximum pedestrian safety and comfort.
- Inclusion of urban parks at the intersection of Emory Grove Road, Washington Grove Lane, and Shady Spring Lane in order to create a ‘main and main’ central feature.
- Purposeful development of new walking trails (‘lanes’) that connect the new community to surrounding neighborhoods and important community features. This would include the pedestrian access to EGUMC cemetery.

Right-Of-Way Abandonment Update

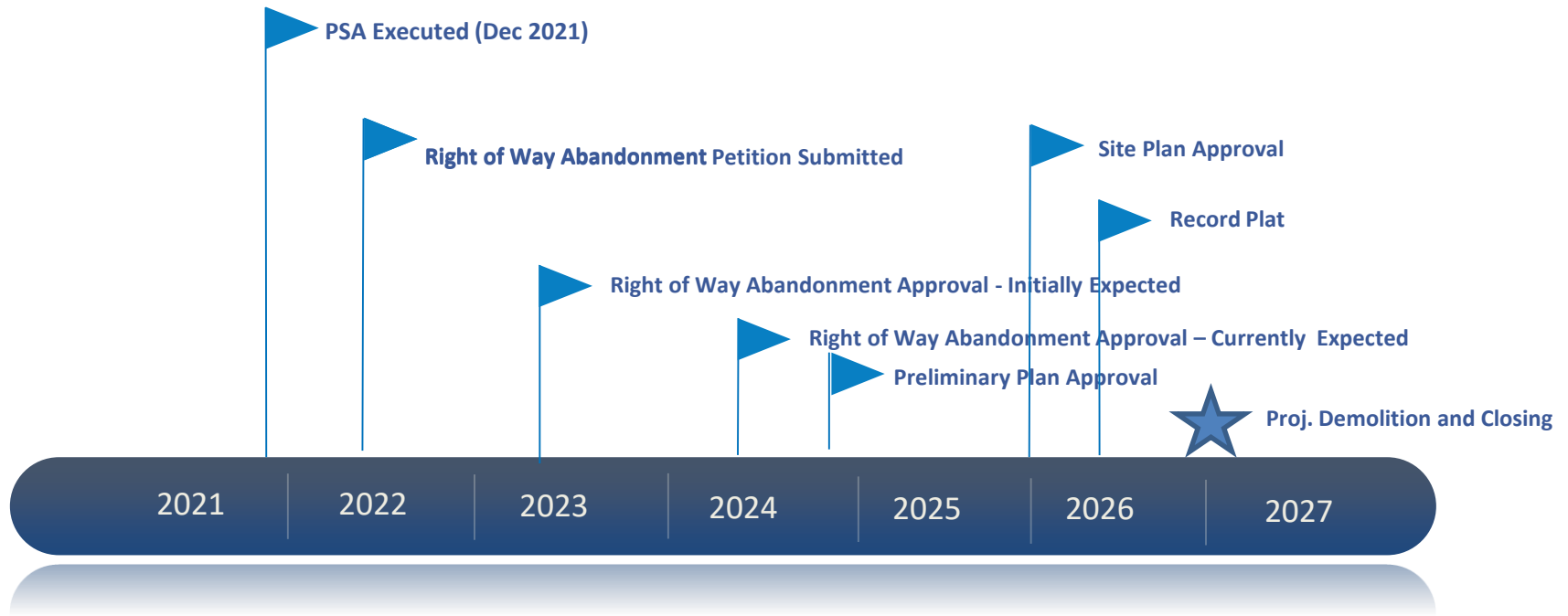


- Initial Petition to Abandon Areas 1 and 2 occurred on November 1, 2022, and was initially set for hearing on March 23, 2023.
- Prior to the hearing, the Montgomery County Department of Transportation (“McDOT”) requested a revision. Specifically, McDOT was willing to release most of the existing road widening right-of-way easements, but the County was interested in retaining sufficient right-of-way at the intersection of Washington Grove Lane, Emory Grove Road, and Shady Spring Drive so that it has the option to realign and straighten this intersection in the future, if this becomes necessary.
- County Staff suggested that a concept plan involving the areas subject to the abandonment Petition be submitted to the Development Review Committee (DRC) in order to, among other things, analyze the proposed abandonment and determine how much of this area the County should preserve for the potential intersection realignment. Following this recommendation, the Petition process was stayed and HOC submitted a concept plan and revised survey to the DRC, which addressed McDOT’s concerns.
- After addressing McDOT concerns, a revised application was submitted on August 13, 2023, and a hearing scheduled for January 25, 2024. No other agency or community members expressed any concerns or objections with regard to HOC’s proposed plan and the requested abandonment. However, at the abandonment hearing on January 25, 2024, the County Attorney’s office raised concerns about Area 2 and whether the County can conclude that the land in Area 2 is public ROW. HOC Staff responded by providing what is believed to be sufficient land records to document conclusively that since before 1879, the Area 2 property has been part of the land used as ROW for the Gaithersburg-Laytonsville Road, which became MD Rte. 124 and later Washington Grove Lane. Additionally, title records research also indicates that the County owns the land.
- The deadline for the open comment period is through March 31, 2024, at which point the Hearing Examiner will write their report and submit to the County Executive their recommendations for proceeding. This process has taken nearly 12 months longer than expected and must be accounted for in the Purchase and Sale Agreement provisions with Hailey to ensure timely delivery.



EGV / CHS Timeline Update

Pending the outcome of the approval of the ROW Abandonment petition, the following schedule is projected for the preliminary plan, site plan and closing on the EGV / CHS parcels:



Commission Actions

Prior Actions

- On April 1, 2020, the Commission adopted **Resolution 20-35AS**, approving feasibility funding and HOC's entering into an ownership venture with Emory Grove United Methodist Church ("EGUMC") to explore the aggregation and redevelopment of certain properties owned by HOC, EGUMC, Montgomery County ("County"), and the Maryland-National Capital Park and Planning Commission ("M-NCPPC") near HOC's Emory Grove Village ("EGV") and Camp Hill Square ("CHS") located in Gaithersburg, Maryland (collectively, "Heritage Emory Grove"). The feasibility funding amount of \$150,000, was approved to be drawn on the Opportunity Housing Reserve Fund ("OHRF"), with the requirement it be repaid at either property disposition or closing of construction financing for the first phase of any redevelopment project.
- Further, on October 7, 2020, the Commission authorized the Executive Director to enter into a letter of intent ("LOI") for the disposition of EGV and CHS to Hailey Development, LLC ("Hailey") based on direction from the Commission for proposed partners and structure of EGV and CHS disposition, the housing typology on other components of Heritage Emory Grove redevelopment, the strategy of formal requests of the County and M-NCPPC for land control, and the scope of historical and cultural preservation across the Heritage Emory Grove redevelopment. And on January 22, 2021, the LOI for the disposition of EGV and CHS to Hailey Development, LLC ("Hailey") was executed and staff began preparing a Purchase and Sale Agreement to commence closing the disposition pursuant to the terms of the LOI.
- On June 9, 2021, and on October 6, 2021, the Commission adopted **Resolution(s) 21-61B** and **21-101AS**, respectively approving the acquisition of, and associated costs of acquisition for 17810 Washington Grove Lane, Gaithersburg, Maryland ("17810 WGL") and neighboring 17812 Washington Grove Lane, Gaithersburg, Maryland ("17812 WGL"), the control and inclusion of which in the Heritage Emory Grove redevelopment will increase the yield of affordable housing included within the proposed Heritage Emory Grove redevelopment.
- On December 8, 2021, the Commission adopted **Resolutions 21-114A, 114B, and 114C** approving the acting Executive Director, or her designee, to execute a purchase and sale agreement for the disposition of EGV and CHS to Hailey Development LLC and approved a budget of \$272,500 for Feasibility Funding from the \$150 million PNC Bank, N.A. Real Estate Line of Credit ("RELOC"), and on December 16, 2021, the PSA was executed.
- On December 7, 2022, the Commission approved **Resolution 22-83** authorizing the Executive Director to negotiate and execute a development advisory services agreement with EGUMC, approved an initial budget of \$1.65MM for the design, entitlement, and permitting of the EGUMC Assemblage, and approved a predevelopment loan by HOC to EGUMC of \$1.65MM funded from the OHRF.

Projected Future Actions

- Presentation of key terms for the transfer of County land to HOC and the mechanism for HOC reimbursement and compensation
- Master Planning Legal Land Use Counsel Selection
- Development Consultancy
- Additional Budget Funding Requests

Summary and Recommendations

ISSUES FOR CONSIDERATION

Does the Commission wish to accept staff's recommendation, which is supported by the Development & Finance Committee to approve the First Amendment to the Purchase & Sale Agreement for Emory Grove Village and Camp Hill Square with Hailey Development, LLC?

BUDGET FISCAL/IMPACT

No Budget or Fiscal Impacts.

TIME FRAME

For formal action by the Commission on March 6, 2024.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

Staff is recommending that the Commission approve the First Amendment to the Purchase & Sale Agreement for Emory Grove Village and Camp Hill Square with Hailey Development, LLC.

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) owns certain land known as Emory Grove Village and Camp Hill Square located at 17809 Washington Grove Lane and 8211 Morning View Drive, each located near the Emory Grove United Methodist Church (“EGUMC”) in Gaithersburg, Maryland (the “Property”); and

WHEREAS, as authorized pursuant to Resolution 21-114A of the Commission, on January 26, 2022, the Commission executed a purchase and sale agreement for the disposition of the Property to Hailey Development LLC (“Hailey”) (such purchase and sale agreement, the “PSA”); and

WHEREAS, the PSA requires that (i) Hailey enter into an agreement with Habitat for Humanity (“Habitat”) to build certain types of units at the Property that comply with Montgomery County’s moderately priced dwelling unit (“MPDU”) program, and (ii) Hailey obtain preliminary site plan approval within a certain deadline; and

WHEREAS, Hailey and the Commission wish to amend the PSA to (i) allow for increased flexibility for modifying the location and delivery plan of constructing the MPDUs based on final site plan approvals, (ii) allow Hailey to terminate their agreement with Habitat and find a replacement option, if Habitat is unable to perform its obligations by the applicable milestones or regulatory deadlines for such performance, (iii) extend the deadline required for Hailey to obtain preliminary site plan approval, and (iv) any other such changes to update the PSA as agreed to between Hailey and the Commission (collectively, the “First PSA Amendment”).

NOW, THEREFORE, BE IT RESOLVED that the Housing Opportunities Commission of Montgomery County authorizes the President/Executive Director, or her designee, to execute the First PSA Amendment with Hailey.

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

I HEREBY CERTIFY that the foregoing Resolution was adopted by the Housing Opportunities Commission of Montgomery County at an open meeting conducted on March 6, 2024.

Resolution No.: 24-22

**RE: Approval of the First Amendment to the
Purchase & Sale Agreement for Emory
Grove Village and Camp Hill Square**

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Chelsea J. Andrews

President / Executive Director

HILLANDALE GATEWAY: APPROVAL OF THE NAMING AND BRANDING OF HILLANDALE GATEWAY IN ACCORDANCE WITH HOC NAMING GUIDELINES



CHELSEA J. ANDREWS, PRESIDENT/EXECUTIVE DIRECTOR

TIA BLOUNT, VICE PRESIDENT, PUBLIC AFFAIRS & COMMUNICATIONS

KATHRYN HOLLISTER, HOUSING ACQUISITION MANAGER

Commission Meeting
March 6, 2024

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EXECUTIVE SUMMARY

Hillandale Gateway (the “Property”) is a new mixed-use, mixed-income community located on the site of Holly Hall Apartments, a former 96-unit Public Housing community in Silver Spring. Hillandale Gateway will consist of 155 age-restricted residential units, 308 multifamily apartments, retail, and parking. The senior building is planned to be Maryland’s first zero net energy passive house multifamily residential building.

The senior apartment building will utilize income averaging to provide 113-units at 50% of AMI and 42-units at 80% of AMI. The building will strive to achieve Zero Net Energy through Passive House construction techniques, energy-efficient mechanical systems, and installing solar panels on the site.

HOC is developing Hillandale Gateway as part of a joint venture (“Joint Venture” or “Hillandale Gateway, LLC”) with The Duffie Companies (“Duffie”). Duffie is a third-generation, Montgomery County-based, family-owned real estate owner, developer, and asset manager. Duffie has extensive experience developing high-performance green buildings and is one of the largest real estate owners in the Hillandale submarket of Silver Spring. Hillandale Gateway, LLC entered into a 99-year master lease in June 2021 for 10100, 10110 and 10120 New Hampshire Avenue and will own and operate the improvements on the site.



*Proposed Names for Building One:
Radia at Hillandale Gateway*

*Proposed Names Building Two:
Lumina at Hillandale Gateway*

The selection of a permanent name for the Property is required to support ongoing marketing, branding and leasing efforts for the Property.

Staff 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 names are: Radia at Hillandale Gateway (Building 1) and Lumina at Hillandale Gateway (Building 2).

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 and should:

- 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; and
- Consider the quality of the contribution along with the length of service by the individual.



illuminating the Way



NAMES IN CONTEXT

“Hillandale Gateway,” the name by which the community already knows this development, has gained some traction, partially because of its use since the project’s inception in 2016. “Hillandale” is a smaller community than the broader City of Silver Spring, of which Hillandale is a part. This unique community marker was combined with the term “Gateway” given the development’s location at the southern boundary (or gate) of the White Oak Science Gateway Master Plan planning area. The White Oak Science Gateway Master Plan afforded the vision and density that make this development possible and HOC is “illuminating the way” by being a catalyst for community growth and a hopeful newer building standard that leverages renewable solar energy.

KEY PROJECT FEATURES:

- Zero Net Energy (achieved through Passive House construction techniques)
- Energy-efficient mechanical systems
- Solar panels on the site
- First “all electric” development of its kind
- Electric charging stations
- Near the Hillandale Shopping Center
- Transit orientation connects people to places and future jobs (including 18,000 future positions that will be walkable/bikeable)
- Part of the White Oak Science Gateway development plan

BRAND ATTRIBUTES: Sun, light, solar energy, illumination, radiance, growth, expansion



RADIA AT HILLANDALE GATEWAY AGAINST NAMING GUIDELINES

Strong positive image and stands the test of time. “Radia” connotes *light, energy, radiance and liveliness*. Derived from the root word "radiant" which means shining and bright, “Radia” is inspired by the strategic idea that *a mix of experiences, lifestyles, and voices create a fresh, dynamic, and energizing living environment*. Like the timeless elements of light and energy, we believe name “Radia at Hillandale Gateway” will not lose its luster over time.



Regard for the facility’s location, geography, natural land feature, and/or history. “Radia at Hillandale Gateway” gives a nod to the presence of Hillandale’s *diverse religious and cultural communities* and the associated *vibrancy these elements add to the area*. The name, paired with the *community’s radius to transit, amenities, employment, housing and other options*, evokes a sense of centrality and a dynamic environment in which residents will thrive.

Commemorate places, people or events that are of continued importance to the town, region, and/or state. The name “Radia at Hillandale Gateway” pays homage to the wide variety of places, people and events surrounding this location. Currently the Hillandale Shopping Center and the community’s transit orientation *connects people to places and future jobs* (including 18,000 future positions that will be walkable/bikeable) and the White Oak Science Gateway development plan (an exciting next step for the area).

Outstanding accomplishments by an individual for the good of the community. The name “Radia” insinuates that there were many outstanding individuals who have contributed to the community’s radiance and vibrancy over the years. Nestled at the heart of this community, the new *“Radia at Hillandale Gateway” will be part of a larger story waiting to be discovered and told.* **Quality of the contribution along with the length of service by the individual.** N/A

LUMINA AT HILLANDALE GATEWAY AGAINST NAMING GUIDELINES

Strong positive image and stands the test of time. “Lumina” evokes the positive imagery associated with *light, energy, and brightness*. This association is fitting for a project so focused on *electrification, energy conservation, and the prominent display of renewable solar energy resources*. Solar panels and renewable solar energy both clearly invoke associations with the *sun* and therefore light. As consistent as the rising of the sun, so too will the “Lumina at Hillandale Gateway” forever serve as a shining first example of buildings constructed to a new and more hopeful standard.



Regard for the facility’s location, geography, natural land feature, and/or history. The “Lumina at Hillandale Gateway” creates an opportunity to maintain branding that serves as a *connection to the “Hillandale” community* and its new *“Gateway” access to all of the community’s rich amenities (e.g., green spaces, coffee shops, the Hillandale shopping center, and other walkable and bikeable locations)*.



LUMINA AT HILLANDALE GATEWAY AGAINST NAMING GUIDELINES (CONT'D)

Commemorate places, people or events that are of continued importance to the town, region, and/or state.

The development of Hillandale Gateway represents a watershed event for not only Eastern Montgomery County, but the State and region. There has been very little new development in Eastern Montgomery County for decades. Not only will the “Lumina at Hillandale Gateway” represent *new development in an underserved area*, it will represent the construction of *all electric buildings, which utilize solar energy* to help provide safe, affordable housing and potentially *reduced utility costs*.

Montgomery County, declaring a climate emergency, enacted a Climate Action Plan in 2021, which among other things, calls for a reduction in the energy consumed by new buildings, the electrification of buildings, and the use of renewable energy resources to power buildings. Hillandale Gateway will be the first “all electric” development of its kind directly in support of the goals set out in the Climate Action Plan. Through development of the “Lumina at Hillandale Gateway” (a name which connote light), *HOC is evidencing leadership by “illuminating the way” for other buildings within the County, State, and Region.*

Outstanding accomplishments by an individual for the good of the community. N/A

Quality of the contribution along with the length of service by the individual. N/A

OTHER NAME CONSIDERATIONS

1. THE RENASCENT

Celtic goddess associated with healing

2. THE RAYA

Emerge, become apparent

3. RADIANCE

Radiant, light, energy, liveliness

SUMMARY, RECOMMENDATIONS, AND DISCUSSION

SUMMARY AND RECOMMENDATION

Does the Commission wish to accept staff’s recommendation, and advance the permanent names, **“Radia at Hillandale Gateway”** and **“Lumina at Hillandale Gateway”** for the **age-restricted and non age-restricted buildings**, respectively, at Hillandale Gateway development?

BUDGET/FISCAL IMPACT

There is no budget or fiscal impact.

TIME FRAME

For formal action by the Commission on March 6, 2024.

STAFF RECOMMENDATION AND COMMISSION ACTION NEEDED

The Development and Finance Committee reviewed this request at its meeting on February 26, 2024, and joins staff’s recommendation that the Commission accept the recommendation to name the two buildings at Hillandale Gateway, **“Radia at Hillandale Gateway”** and **“Lumina at Hillandale Gateway”** **for the age-restricted and non age-restricted buildings, respectively.**

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or the “Commission”) is the sole member of HOC at Hillandale Gateway, LLC, which is a member of Hillandale Gateway, LLC (“HG Owner”), the entity that will redevelop approximately 5.15 acres of land at 10110 and 10140 New Hampshire Avenue, Silver Spring, MD 20903 (“Hillandale Gateway”); and

WHEREAS, Hillandale Gateway will be a visionary mixed-use, mixed-income, intergenerational community and include a total of 463 residential units within two residential buildings – a 155-unit age-restricted (age 62+) senior building (“AR Building”), and a 308-unit non-age restricted general occupancy multifamily building (“NAR Building”); and

WHEREAS, HOC staff, in alignment with the Guidelines for Naming of HOC Properties and Facilities (the “Guidelines”), developed permanent name recommendations for Hillandale Gateway that align with the general principles set forth in the Guidelines; and

WHEREAS, staff recommends the “Radia at Hillandale Gateway” for the AR Building and “Lumina at Hillandale Gateway” for the NAR building as the selected names.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County, on behalf of itself and on behalf of HG Owner, that it hereby accepts the permanent naming and branding of Hillandale Gateway in accordance with the Guidelines as the “Radia at Hillandale Gateway” for the AR Building and “Lumina at Hillandale Gateway” for the NAR Building.

I HEREBY CERTIFY that the forgoing resolution was adopted by the Housing Opportunities Commission of Montgomery County at a regular meeting conducted on March 6, 2024.

Chelsea J. Andrews
President/Executive Director

S
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Recess

Development Corporation Meeting

RAD 6

Development Corporation

RAD 6 Development Corporation
10400 Detrick Avenue
Kensington, Maryland 20895
(240) 627-9425

Minutes
February 7, 2024

24-002RAD6

Mr. Priest convened the meeting of the RAD 6 Development Corporation on Wednesday, February 7, 2024, at 5:52 p.m. via a hybrid platform (with some participating in-person and some participating online/via teleconference), with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

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

Attending Via Zoom

Pamela Byrd

Also Attending

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

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

Attending Via Zoom

Matt Husman
Sean Asberry

Kai Hsieh
Eugenia Pascal

IT Support

Irma Rodriguez
Aries "AJ" Cruz

Development Corporation Support

Jocelyn Koon, Senior Executive Assistant
Morgan Tucker, Assistant

Prior to calling the meeting to order, Mr. Priest explained that development corporations are entities that are wholly-controlled by the Housing Opportunities Commission of Montgomery County (“HOC”) and own various HOC properties. For each development corporation, the Board of Directors is comprised of the HOC Commissioners and the officers are the same as the officers of the Commission.

Mr. Priest called to order the meeting of the RAD 6 Development Corporation:

- **Sandy Spring Meadows:** Authorization to Execute a Utility Easement at Sandy Spring Meadow and Receive an Emergency Egress and Pedestrian easement to Bendley Road

President/Executive Director, Chelsea Andrews, provided an overview of the presentation and introduced Zachary Marks, Senior Vice President of Real Estate and Jay Shepherd, Housing Acquisitions Manager to provide the detailed presentation. Staff recommended that the Board of Directors of the RAD 6 Development Corporation accept its recommendation to execute a utility easement at Sandy Spring Meadow, including modification of any existing HOC/WSSC easements related thereto, and receive an emergency egress and pedestrian easement to Bentley Road. A motion was made by Jeffery Merkowitz to approve Resolution 24-002RAD6, and seconded by Pamela Byrd. Affirmative votes were cast by Roy Priest, Frances Kelleher, Linda Croom, Jeffrey Merkowitz, Pamela Byrd and Robin Salomon.

Based upon this report and there being no further business to come before this meeting of the RAD 6 Development Corporation, the meeting adjourned at 5:54 p.m.

Respectfully submitted,

Chelsea Andrews
Secretary-Treasurer of the
Corporation

Adjourn

Scattered
Site One
Development
Corporation

Scattered Site One Development Corporation

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

Minutes

February 7, 2024

24-001SS1

Mr. Priest convened the meeting of the Scattered Site One Development Corporation on Wednesday, February 7, 2024, at 5:54 p.m. via a hybrid platform (with some participating in-person and some participating online/via teleconference), with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

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

Attending Via Zoom

Pamela Byrd

Also Attending

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

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

Attending Via Zoom

Matt Husman
Sean Asberry

Kai Hsieh
Eugenia Pascal

IT Support

Irma Rodriguez
Aries "AJ" Cruz

Development Corporation Support

Jocelyn Koon, Senior Executive Assistant
Morgan Tucker, Assistant

Prior to calling the meeting to order, Mr. Priest explained that development corporations are entities that are wholly-controlled by the Housing Opportunities Commission of Montgomery County (“HOC”) and own various HOC properties. For each development corporation, the Board of Directors is comprised of the HOC Commissioners and the officers are the same as the officers of the Commission.

Mr. Priest called to order the meeting of the Scattered Site One Development Corporation:

- **Approval to Select and Execute a Contract with Innovative Technology, Design & Construction as General Contractor for Scattered Site Properties Pursuant to Invitation for Bid #2435**

President/Executive Director, Chelsea Andrews, provided an overview of the presentation and introduced Zachary Marks, Senior Vice President of Real Estate and Jay Shepherd, Housing Acquisitions Manager to provide the detailed presentation. Staff recommended that the Board of Directors of Scattered Site One Development Corporation accept its recommendation to select Innovative Technology Design & Construction as the general contractor for the renovation of Scattered Site Properties and authorize the President/Executive Director of HOC to negotiate and execute a contract on its behalf with Innovative Technology Design & Construction for General Contracting Services to provide the Unit Renovations services for Units owned by Scattered Site One Development Corporation in an amount not to exceed \$1,238,535.64 for all ten Units, to be funded by the CIP Funds. A motion was made by Pamela Byrd to approve Resolution 24-001S1, and seconded by Linda Croom. Affirmative votes were cast by Roy Priest, Frances Kelleher, Linda Croom, Jeffrey Merkowitz, Pamela Byrd and Robin Salomon.

Based upon this report and there being no further business to come before this meeting of the Scattered Site One Development Corporation, the meeting adjourned at 5:56 p.m.

Respectfully submitted,

/jlk

Chelsea Andrews
Secretary-Treasurer of the
Corporation

Adjourn

TPM Development Corporation

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

Minutes
February 7, 2024

24-001TPM

Mr. Priest convened the meeting of the TPM Development Corporation on Wednesday, February 7, 2024, at 5:56 p.m. via a hybrid platform (with some participating in-person and some participating online/via teleconference), with moderator functions occurring at 10400 Detrick Avenue, Kensington, Maryland. Those in attendance were:

Present

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

Attending Via Zoom

Pamela Byrd

Also Attending

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

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

Attending Via Zoom

Matt Husman
Sean Asberry

Kai Hsieh
Eugenia Pascal

IT Support

Irma Rodriguez
Aries "AJ" Cruz

Development Corporation Support

Jocelyn Koon, Senior Executive Assistant
Morgan Tucker, Assistant

Prior to calling the meeting to order, Mr. Priest explained that development corporations are entities that are wholly-controlled by the Housing Opportunities Commission of Montgomery County (“HOC”) and own various HOC properties. For each development corporation, the Board of Directors is comprised of the HOC Commissioners and the officers are the same as the officers of the Commission.

Mr. Priest called to order the meeting of the TPM Development Corporation:

- **Approval to Select and Execute a Contract with Innovative Technology, Design & Construction as General Contractor for Scattered Site Properties Pursuant to Invitation for Bid #2435**

President/Executive Director, Chelsea Andrews, provided an overview of the presentation and introduced Zachary Marks, Senior Vice President of Real Estate and Jay Shepherd, Housing Acquisitions Manager to provide the detailed presentation. Staff recommended that the Board of Directors of TPM Development Corporation accept its recommendation to select Innovative Technology Design & Construction as the general contractor for the renovation of Scattered Site Properties and authorize the President/Executive Director of HOC to negotiate and execute a contract on its behalf with Innovative Technology Design & Construction for General Contracting Services to provide the Unit Renovations services for Units owned by TPM Development Corporation in an amount not to exceed \$1,238,535.64 for all ten Units, to be funded by the CIP Funds. A motion was made by Pamela Byrd to approve Resolution 24-001TPM, and seconded by Linda Croom. Affirmative votes were cast by Roy Priest, Frances Kelleher, Linda Croom, Jeffrey Merkwowitz, Pamela Byrd and Robin Salomon.

Based upon this report and there being no further business to come before this meeting of the TPM Development Corporation, the meeting adjourned at 5:58 p.m.

Respectfully submitted,

/jlk

Chelsea Andrews
Secretary-Treasurer of the
Corporation

Adjourn

Reconvene

Closing Statement

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

Date: March 6, 2024

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:

14. “Before a contract is awarded or bids are opened, to discuss a matter directly related to a negotiating strategy or the contents of a bid or proposal, if public discussion or disclosure would adversely impact the ability of the public body to participate in the competitive bidding or proposal process”;

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)(14)	Discussion of the contents of proposals before a contract has been awarded.	The meeting must be closed because public discussion would adversely impact HOC’s ability to participate in the competitive proposal process.

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

D. Recorded vote to close the meeting:

- Date: March 6, 2024 Time: _____
- Location: HOC’s Kensington Office (10400 Detrick Avenue, Kensington, MD 20895), Zoom, & Livestream (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