

HOUSING OPPORTUNITIES COMMISSION OF MONTGOMERY COUNTY

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

Minutes

Tuesday, November 3, 2015

15-11

The monthly meeting of the Housing Opportunities Commission of Montgomery County was conducted on Wednesday, November 3, 2015 at 10400 Detrick Avenue, Kensington, Maryland beginning at 10:00 a.m. Those in attendance were:

Present

Sally Roman, Chair
Jackie Simon, Vice Chair
Richard Y. Nelson, Jr., Chair Pro Tem
Margaret McFarland
Roberto Piñero

Absent

Christopher Hatcher

Also Attending

Stacy Spann, Executive Director
Ken Goldstraw
Kayrine Brown
Fred Swan
Terri Fowler
Lola Knights
Jennifer Arrington
LaTonya Brooks
Rita Harris
Belle Seyoum
Elsie Weinstein
Clarence Landers
Sheryl Hammond

Jim Atwell
Gail Willison
Ethan Cohen
Zachary Marks
Patrick Mattingly
Ellen Goff
Bill Anderson
Bobbie DaCosta
Mary Ellen Ewing

Commission Support

Patrice Birdsong, Spec. Asst. to the Commission

Guest

None

IT Support

Irma Rodquez

Kelly McLaughlin, General Counsel

Prior to the meeting convening, an election was held to fill the vacancy of the Office of Chair Pro Tem resulting from the passing of Jean Banks. A motion was made by Commissioner Piñero to nominate Richard Y. Nelson, Jr., as Chair Pro Tem, and seconded by Vice Chair Simon. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, McFarland and Pinero. Commissioner Hatcher was necessarily absent and did not participate in the vote.

The Consent Calendar was adopted upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Piñero. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, McFarland and Piñero. Commissioner Hatcher was necessarily absent and did not participate in the vote.

I. CONSENT ITEMS

A. Approval of Minutes: – The minutes were approved as submitted.

- **HOC Regular Meeting – October 7, 2015**
- **Special Vote by Mail – October 14, 2015**
- **Executive Session Minutes – October 7, 2015**
- **Special Vote by Mail – October 26, 2015**

B. Ratification of Authorization to Issue a \$250,000 Note and Complete the Acquisition of 900 Thayer Avenue, and to Execute Documents Related Thereto

RESOLUTION No. 15-82R:

RE: Ratification of Authorization to Issue a \$250,000 Note and Complete the Acquisition of 900 Thayer Avenue, and to Execute Documents Related Thereto

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

WHEREAS, at a closed Executive Session duly called and held on October 7, 2015, with a quorum present, the Commission duly adopted Resolution 15-82ES titled: “Authorization to Issue a \$250,000 Note and Complete the Acquisition of 900 Thayer Avenue, and to Execute Documents Related Thereto”; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 15-82ES and any action taken since October 7, 2015 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 15-82ES Resolution and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

C. Ratification of Action Taken in Executive Session on October 7, 2015: Approval to Execute Amended and Restated Land Development Agreement for Elizabeth House III Contemplating a Revised Condominium Plan and a Space Lease, and Authorization to Explore Alternative Private Funding

RESOLUTION No. 15-83R:

RE: Ratification of Approval to Execute Amended and Restated Land Development Agreement for Elizabeth House III Contemplating a Revised Condominium Plan and a Space Lease, and Authorization to Explore Alternate Private Funding

WHEREAS, the Housing Opportunities Commission of Montgomery County ("HOC"), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including providing for the acquisition, construction, rehabilitation and/or permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, at a closed Executive Session duly called and held on October 7, 2015, with a quorum present, the Commission duly adopted Resolution 15-83ES titled: "Approval to Execute Amended and Restated Land Development Agreement for Elizabeth House III Contemplating a Revised Condominium Plan and a Space Lease, and Authorization to Explore Alternative Private Funding"; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 15-83ES and any action taken since October 7, 2015 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 15-83ES Resolution and any subsequent actions taken in relation thereto, are hereby ratified and affirmed.

D. Ratification of Approval to Advance up to \$100,000 from the Opportunity Housing Reserve Fund for Feasibility and Predevelopment Costs for the Potential Redevelopment of Westwood Towers Site

RESOLUTION No. 15-84R:

RE: Ratification of Approval to Advance up to \$100,000 from the Opportunity Housing

**Reserve Fund for Feasibility and
Predevelopment Costs for the Potential
Redevelopment of Westwood Towers Site**

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

WHEREAS, at a closed Executive Session duly called and held on October 7, 2015, with a quorum present, the Commission duly adopted Resolution 15-84ES titled: “Approval to Advance up to \$100,000 from the Opportunity Housing Reserve Fund for Feasibility and Predevelopment Costs for the Potential Redevelopment of Westwood Towers Site”; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioners in adopting Resolution 15-84ES and any action taken since October 7, 2015 to effectuate the transaction contemplated therein.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 15-84ES Resolution and any subsequent actions taken in relation thereto, are hereby ratified and affirmed

- E. Ratification of Approval of a Taxable Draw of up to \$6,875,000 by the Commission from the Original PNC Bank, N.A. Line of Credit (\$60 Million) and the Commission’s Advance of such Funds to Chevy Chase Lake Development Corporation to Prepay the First Mortgage Loan**

RESOLUTION No. 15-85R:

RE: Ratification of Approval of a Taxable Draw of up to \$6,875,000 by the Commission from the Original PNC Bank, N.A. Line of Credit (\$60 Million) and the Commission’s Advance of Such Funds to Chevy Chase Lake Development Corporation to Prepay the First Mortgage Loan

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

permanent financing or refinancing (or a plan of financing) of rental housing properties which provide a public purpose; and

WHEREAS, pursuant to a Special Session duly called on October 13, 2015, in which a quorum participated, the Commission conducted a vote by mail that concluded on October 14, 2015, and duly adopted Resolution 15-85SS titled: "Approval of a Taxable Draw of up to \$6,875,000 by the Commission from the Original PNC Bank, N.A. Line of Credit (\$60 Million) and the Commission's Advance of Such Funds to Chevy Chase Lake Development Corporation to Prepay the First Mortgage Loan"; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commissioner as of October 14, 2015 in adopting Resolution 15-85SS and any actions taken to effectuate the transaction authorized by Resolution 15-85SS.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Resolution 15-85SS and any actions to effectuate the transaction authorized thereby are hereby ratified and affirmed.

F. Ratification of Recommendation Adopted by the Budget, Finance and Audit Committee on October 20, 2015: Approval of CY'16 Tax Credit Partnership Budgets

RESOLUTION No. 15-86R:

RE: Ratification of Recommendation Adopted by the Budget, Finance and Audit Committee on October 20, 2015: Approval of CY'16 Tax Credit Partnership Budgets

WHEREAS, the Housing Opportunities Commission of Montgomery County is the General Partner who manages the business and is liable for the debts of 13 Tax Credit Partnerships; and

WHEREAS, the limited partners in these 13-Tax Credit Partnerships have contributed money and share in profits but take no part in running the business and incur no liability with respect to the partnership beyond their contributions; and

WHEREAS, the Tax Credit Partnerships are unique within the Housing Opportunities Commission's property portfolio since they are not HOC entities but managed properties and have no separate Boards; and

WHEREAS, the Housing Opportunities Commission has a financial obligation to cover all debts, has an interest in the successful performance of these partnerships and, as such, should review their performances and approve their budgets; and

WHEREAS, as the budgets were due to the limited partners by November 1, 2015, the Budget, Finance and Audit Committee reviewed and approved the CY'16 Budgets at the October 20, 2015 meeting.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby ratifies the action taken by the Budget, Finance and Audit Committee to approve the CY'16 Operating Budgets for the 13 Tax Credit Partnerships shown on Attachment 1 of this resolution.

G. Ratification of Action Taken Via a Vote by Mail to Approve a Revised Unit Mix for Elizabeth House III and Other Actions taken to Effectuate the Transaction Authorized by Resolution 15-81

RESOLUTION No. 15-97R:

RE: Ratification of Action Taken Via a Vote by Mail to Approve a Revised Unit Mix for Elizabeth House III and Other Actions taken to Effectuate the Transaction Authorized by Resolution 15-81

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

WHEREAS, at a Commission meeting held on October 7, 2015, the Commission duly adopted Resolution 15-81 titled: "Approval of Revised Development Plan and Authorization to Expend Additional Predevelopment Spending of up to \$750,000 of Opportunity Housing Reserve Funds for the Submission of the Detail Site Plan for Elizabeth Square to Maryland-National Capital Park and Planning Commission (M-NCPPC) and Montgomery County," which approved additional predevelopment funding and the submission of a site plan for Elizabeth Square, conditioning the authorization to submit the site plan on the Commission's subsequent approval of a revised unit mix for Elizabeth House III and Elizabeth House IV reducing the number of efficiency units in favor of additional one-bedroom units; and

WHEREAS, the Development and Finance Committee recommended approval of a revised unit mix and corresponding funding shortfall for Elizabeth House III on October 23, 2015; and

WHEREAS, in order to uphold the development schedule for Elizabeth House III, Resolution 15-81, as revised, contemplated Commission action on the approval of a revised unit mix for Elizabeth House III prior to the November Commission meeting; and

WHEREAS, in accordance with Resolution 15-81, as revised, the Commission conducted a vote by mail on the matter, which vote commenced on October 24, 2015 and was concluded as

of the end of the day on October 26, 2015, and by which vote the revised unit mix for Elizabeth House III was duly approved; and

WHEREAS, the Commission wishes to ratify and affirm, in an open meeting, the action undertaken by the Commission as of October 26, 2015 in approving the unit mix for Elizabeth House III and any action taken to effectuate the transaction authorized by Resolution 15-81.; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the action taken by a vote by mail to approve the revised unit mix for Elizabeth House III, and any action taken to effectuate the transaction authorized by Resolution 15-81 are hereby ratified and affirmed.

II. INFORMATION EXCHANGE

- A. Report of the Executive Director** – The Executive Director reported on the FSS Graduation Ceremony. Dr. DiRionne Pollard, President of Montgomery College, was the keynote speaker. Mr. Spann elaborated on the relationship that has been established between HOC and Montgomery College due to the College’s assistance with HOC Academy. HOC is in the process of retooling the FSS Program.
- B. Calendar and Follow-up Action** – Chair Roman requested confirmation on the Property Tour of the RAD 6 renovated units to be scheduled for Friday, November 13, 2015.
- C. Commissioner Exchange** – Commissioner Simon requested a special session on Tobytown Community regarding transportation. Commissioner Simon also reported on an article by Kenneth Harney, regarding FHA Rules for financing condos.

Commissioner McFarland announced the launching of a certificate in affordable housing real estate beginning January 2016 at the University of Maryland – College Park Campus. It is a twelve (12) credit course. Applications will be taken until middle of December.

- D. Resident Advisory Board (RAB)** – None
- E. Community Forum** – None
- F. Status Report** – None

III. COMMITTEE REPORTS and RECOMMENDATIONS FOR ACTION

- A. Budget, Finance and Audit Committee – *Com. Piñero, Chair***

Expense Level) for the purpose of submitting staff's calculations of the Public Housing Operating Subsidy for the period January 1, 2016 through December 31, 2016.

3. Authorization to Advance Funds for Housing Choice Voucher Payments in the Event of a Government Shutdown

Gail Willison, Chief Financial Officer, was the presenter.

The following resolutions were tabled. The Commissioners requested revisions regarding funds for HAP to the resolutions, and suggested it would be discussed at the next open session if necessary.

RESOLUTION No. 15-91: ~~RE: Authorization to Advance Funds from FHA Risk Sharing Fund for Housing Choice Voucher (HCV) Payments in the Event of a Federal Government Shutdown~~

~~**WHEREAS**, the Housing Opportunities Commission of Montgomery County (the "Commission") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for rental subsidy payments as a public purpose; and~~

~~**WHEREAS**, for each fiscal year, the Commission executes an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD) pursuant to which HUD agrees to provide the Commission with the incremental funds necessary to make Housing Assistance Payments to landlords under the Housing Choice Voucher Program (the "HCV Program");~~

~~**WHEREAS**, the Housing Assistance Payments under the Commission's HCV Program average approximately \$7.2 Million per month and are funded on a monthly basis from the Federal Government; and~~

~~**WHEREAS**, amounts in the Commission's HCV Program reserves were recaptured by the Federal Government in June of 2014; and~~

~~**WHEREAS**, in the event the Federal Government fails to pass an operating budget for the upcoming Federal fiscal year, which began on October 1, 2015, prior to the expiration of the temporary resolution which expires on November 11, 2015 (the "Government Shut-down"), the Commission will not receive the funds necessary to pay landlords each month under the HCV Program; and~~

~~**WHEREAS**, the Commission wishes to make provisions for the continuity of Housing Assistance Payments to landlords participating in the HCV Program in the event of a~~

Government Shut-down in order to prevent potential hardships to HCV Program participants;
and

~~WHEREAS~~, the Commission's FHA Risk Sharing Fund had an unobligated balance of \$11.4 Million as of September 30, 2015; and

~~NOW, THEREFORE, BE IT RESOLVED~~ by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to draw up to \$7.2 Million from the FHA Risk Sharing Fund in order to make the December 2015 Housing Assistance Payments to landlords participating in the HCV Program to the extent there is an ongoing Government Shut-down as of December 1, 2015.

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

RESOLUTION No. 15-91a: RE: Authorization to Advance Funds from PNC Bank \$60 Million Line of Credit for Housing Choice Voucher (HCV) Payments in the Event of a Federal Government Shutdown

~~WHEREAS~~, the Housing Opportunities Commission of Montgomery County (the "Commission") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and authorized thereby to effectuate the purpose of providing affordable housing, including providing for rental subsidy payments as a public purpose; and

~~WHEREAS~~, for each fiscal year, the Commission executes an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD) pursuant to which HUD agrees to provide the Commission with the incremental funds necessary to make Housing Assistance Payments to landlords under the Housing Choice Voucher Program (the "HCV Program");

~~WHEREAS~~, the Housing Assistance Payments under the Commission's HCV Program average approximately \$7.2 Million per month and are funded on a monthly basis from the Federal Government; and

~~WHEREAS~~, amounts in the Commission's HCV Program reserves were recaptured by the Federal Government in June of 2014; and

~~WHEREAS~~, in the event the Federal Government fails to pass an operating budget for the upcoming Federal fiscal year, which began on October 1, 2015, prior to the expiration of

~~the temporary resolution which expires on November 11, 2015 (the "Government Shut-down"), the Commission will not receive the funds necessary to pay landlords each month under the HCV Program; and~~

~~WHEREAS, the Commission wishes to make provisions for the continuity of Housing Assistance Payments to landlords participating in the HCV Program in the event of a Government Shut-down in order to prevent potential hardships to HCV Program participants; and~~

~~WHEREAS, the Commission has a \$60 Million Line of Credit with PNC Bank, National Association (the "PNC \$60 Million LOC") which may be used to provide short term financing and had an unobligated balance of \$7.9 Million as of October 15, 2015; and~~

~~NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is hereby authorized and directed to draw up to \$7.2 Million from the PNC \$60 Million LOC in order to make the January 2016 Housing Assistance Payments to landlords participating in the HCV Program to the extent there is an ongoing Government Shut-down as of January 1, 2016.~~

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

4. Authorization to Enter into a Property Assistance Contract with Edgewood-Vantage Management Company

Gail Willison, Chief Financial Officer, and Bobbie DaCosta, Acting Property Management Director, were the presenters.

The following resolution was approved, with amendments, upon a motion by Commissioner McFarland and seconded by Commissioner Piñero. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, McFarland and Piñero. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION No. 15-92:

RE: Authorization to Enter into a Property Assistance Contract with Edgewood-Vantage Management Company

WHEREAS, the Housing Opportunities Commission is the owner and manager of a broad portfolio of housing units of various types throughout Montgomery County; and

WHEREAS, as a result of transfers and dispositions of units pursuant to Section 18 Demolition/Disposition Application and the Rental Assistance Demonstration Program (RAD), approved by the Department of Housing and Urban Development, as well as expiring tax credit partnerships and other recent changes in inventory, (collectively, the "Units") much of the Commission's portfolio has been freed from income and rent restrictions and other controls; and

WHEREAS, the Commission has embarked on an ambitious effort to renovate the Units and offer the properties as mixed income facilities with many available to persons and families with incomes as high as 80% of area median income; and

WHEREAS, the Commission staff have expertise and experience in managing and marketing properties with a variety of affordable housing restrictions through offerings to waiting lists of potential occupants; and

WHEREAS, the Commission has encountered difficulties and challenges in leasing Units to potential residents with higher incomes, resulting in lower cash flow return than anticipated; and

WHEREAS, the Commission recognizes the need to market and operate the Units with a brand that is positively perceived by the general market and, at the same time, administered in compliance with remaining restrictions and Commission policies; and

WHEREAS, the Commission desires to continue to serve as manager of the Units but can subcontract certain property assistance functions; and

WHEREAS, the Commission issued a Request for Proposals (the "RFP") to property management firms to provide certain services in marketing and operating the Units utilizing the brand of the private company; and

WHEREAS, responses were received from several management companies and after review of the written submissions and direct interviews with Commission staff, it was determined that Edgewood-Vantage Management ("Edgewood") was the most responsive bidder in terms of fee, expertise in marketing to a broad segment of the market, recognized brand, knowledge of Commission requirements, and capabilities for training staff and potential residents under the Section 3 program; and

WHEREAS, under the procedures as announced in the RFP, the Commission will remain as the manager of the Units while contracting with Edgewood to perform marketing services using its expertise and brand, manage HUBs with its personnel, direct maintenance work performed by Commission staff, prepare budgets, provide reports, and perform training functions in conjunction with HOC Academy as well as other agreed upon services; and

WHEREAS, the Commission is to retain direct supervision of Edgewood, review reports submitted in Yardi format, perform audit and reporting to third parties, and provide technical

support for Yardi, provide both tenant services and compliance oversight as well as continuing to maintain discipline among maintenance employees under the Commission Personnel Policy and Collective Bargaining Agreement; and

WHEREAS, the Commission believes that contracting these property assistance functions will be cost efficient, providing quicker lease up and re-letting of Units; and

WHEREAS, the RFP provides for implementation of the contract in 5 HUBs initially to permit ease of transition and transfer of functions which also allows for adjustments to concerns that may arise during actual operations and, after further approval from the Commission, the phasing-in of additional HUBs and properties.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that the Executive Director is authorized to negotiate and enter into a two year contract with three (3) one year options with Edgewood-Vantage Management based on the terms and conditions in the response to the RFP to perform certain property assistance functions for the units within 5 HUBs with the opportunity, upon receipt of further approval from the Commission, to add properties and HUBs over time, and reserving the role of property manager and oversight for the Commission along with audit and reporting responsibilities, budget approval, tenant services, technical support, compliance oversight and employee discipline.

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

1. Authorization of a One-Year Extension to the Current Bond Counsel Contract with Kutak Rock LLP through April 2, 2017

Kayrine Brown, Chief Investment & Real Estate Officer, was the presenter.

The following resolution was approved upon a motion by Chair Pro Tem Nelson and seconded by Commissioner McFarland. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, McFarland, and Piñero. Commissioner Hatcher was necessarily absent and did not participate in the vote.

Resolution No.: 15-93

Re: Authorization of a One-year Extension to the Current Bond Counsel Contract with Kutak Rock, LLP through April 2, 2017

WHEREAS, the Housing Opportunities Commission of Montgomery County (the "Commission") is a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, and the Agreement by and between the Housing Opportunities Commission of Montgomery County and Montgomery County, Maryland (the "County"), effective July 1, 2015, and authorized thereby to issue its notes and bonds from time to time to fulfill its corporate purposes; and

WHEREAS, the ability to issue notes and bonds to the capital markets is subject to the availability of an opinion of a nationally recognized bond counsel concerning (1) the validity of the bonds and (2) to the extent applicable, the excludability of interest on the bonds from gross income for federal income tax purposes, without which the bonds are not normally marketable; and

WHEREAS, Kutak Rock, LLP (“Kutak Rock”) has successfully served the Commission since 1979 as its bond counsel and continues to provide a high level of professionalism; and

WHEREAS, the existing procurement policy allows for the selection of a bond counsel to serve for an initial four-year term plus two additional two-year extensions at the Commission’s option for a maximum contract term of eight years; and

WHEREAS, Kutak Rock’s current contract, which has been in place since April 2012, expires on April 3, 2016 completing the initial four year term; and

WHEREAS, given the high level of performance of Kutak Rock over many years, the anticipated bond financing activity in 2016, and the fact that the Commission is reviewing its Procurement Policy to recommend amendments that may affect the maximum term of any professional services contract, the Commission wishes to extend Kutak Rock’s contract by one year.

NOW THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that Kutak Rock, LLP be approved to serve the Commission as Bond Counsel for an extended one-year term, expiring on April 2, 2017.

BE IT FURTHER RESOLVED that the Commission approve an annual maximum contract amount of \$600,000 on terms consistent with the current contract.

2. Approval to Select Bennett Frank McCarthy Architects, Inc. as Architect for the Rehabilitation of Brooke Park Apartments and Authorization for the Executive Director to Negotiate and Execute a Contract for \$220,138

Kayrine Brown, Chief Investment & Real Estate Officer, and Sheryl Hammond, Planner, were presenters.

The following resolution was approved upon a motion by Chair Pro Tem Nelson and seconded by Vice Chair Simon. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, McFarland, and Piñero. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION No.: 15-94

RE: Approval to Select Bennett, Frank, McCarthy Architects, Inc. as Architect for the Rehabilitation of Brooke Park Apartments and Authorization for the Executive Director to Negotiate and Execute a Contract for \$220,138

WHEREAS, the Housing Opportunities Commission of Montgomery County (“HOC” or “Commission”), a public body corporate and politic duly organized under Division II of the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law, is authorized thereby to effectuate the purpose of providing affordable housing, including the rehabilitation of rental housing properties which provide a public purpose; and

WHEREAS, Montgomery County (the “County”) exercised its rights under Article 53A of the Montgomery County Code by matching the terms of a contract for the purchase (the “Contract”) of the Brooke Park Apartments consisting of 18 units located at 6301-6307 MacArthur Boulevard in Bethesda (the “Property”) and subsequently assigned its rights under the Contract to HOC; and

WHEREAS, the acquisition of the Property afforded the County and HOC a unique opportunity to serve a tremendous public purpose by preserving affordable housing units in a location that serves households with incomes at or below 65% of the DC-MD-VA Metropolitan Statistical Area Median Income; and

WHEREAS, the County provided a loan to HOC in the amount of \$5,200,000 which was estimated to cover acquisition and renovation costs for the Property; and

WHEREAS, prior to beginning renovation of the Property, HOC staff will perform a thorough examination of the needs of the Property, determine the best options for permanent financing, and develop final development and financing plans for the Commission’s approval; and

WHEREAS, HOC issued a Request for Proposals No. 1968 (the “RFP”) on June 5, 2015, pursuant to which four proposals were timely received in response to the RFP; and

WHEREAS, Bennett, Frank, McCarthy Architects, Inc. received the highest score of 89.33% based on its proposal to complete the construction drawings, manage the mechanical, electrical, plumbing, structural, landscape, and civil professionals for the renovation of Brooke Park Apartments for \$220,138 (with the inclusion of a 10% contingency).

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby approves the selection of Bennett, Frank, McCarthy Architects, Inc. as the architect for the renovations of Brooke Park Apartments.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it hereby authorizes and directs the Executive Director to negotiate and execute a contract for \$220,138 with Bennett, Frank, McCarthy Architects, Inc. as the architect for the renovations of Brooke Park Apartments.

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

3. Approval of the Final Development Plan for Chevy Chase Lake Apartments and Authorization of Additional Development Loan from the Opportunity Housing Reserve Fund to the Chevy Chase Lake Development Corporation for the Development of the Proposed Multifamily Building

Kayrine Brown, Chief Investment & Real Estate Officer, and Zachary Marks, Asst. Director of New Development, were presenters.

The following resolution was approved upon a motion by Chair Pro Tem Nelson and seconded by Commissioner Piñero. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, McFarland and Piñero. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION No. 15-95:

RE: Approval of the Final Development Plan for Chevy Chase Lake Apartments and Authorization of Additional Development Loan from the Opportunity Housing Reserve Fund to the Chevy Chase Lake Development Corporation for the Development of the Proposed Multifamily Building

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

WHEREAS, Chevy Chase Lake Development Corporation (the “Corporation”), an instrumentality of HOC, is the owner of a 68-unit development in Chevy Chase known as Chevy Chase Lake Apartments located on approximately 205,300 square feet of land at 3719 Chevy Chase Lake Drive, Chevy Chase, MD 20815 (the “CCL Site”); and

WHEREAS, on July 30, 2013, the Montgomery County Council approved revisions to the Chevy Chase Lake Sector Plan, which rezoned and recommended for the CCL Site, a multifamily building providing 20% affordable rental units and 20% workforce units in an approximately 200-unit property (the "Multifamily Building") in addition to approximately 60 for-sale townhomes (the "Townhouses") of which 15% must be Moderately Priced Dwelling Units pursuant to Article 25A of the County Code ("MPDUs"); and

WHEREAS, on January 23, 2014, the Commission and the Corporation approved entering into a Purchase and Sale Agreement with Eakin Youngentob and Associates ("EYA") to sell a portion of the land for the development of the Townhouses (the "Townhouse Site"), consisting of approximately 142,278 square feet, with the remainder of the CCL Site to be owned by the Corporation or another Commission-controlled entity for the development of the Multifamily Building (the "Multifamily Site"); and

WHEREAS, on July 24, 2014, the Montgomery County Department of Park and Planning approved the Sketch Plan application for the redevelopment of the CCL Site, increasing the urgency to accelerate the design of the Multifamily Building and produce materials necessary to complete a preliminary and site plan application for the Multifamily Site (the "MF Preliminary Plan Application"), so that it could be submitted in conjunction with the site plan for the Townhouse Site, which is significantly closer to completion; and

WHEREAS, the redevelopment of the CCL Site will produce 200 rental units in a high rise multifamily building that replaces the existing 21 affordable housing units with 40 affordable housing units to serve families and individuals with income at or below 60% of the Washington, DC-MD-VA Metropolitan Statistical Area Median Income (the "AMI"), 40 units that would be designated as work force housing units to serve households with incomes at or below 100% of the AMI, plus 10 Moderately Priced Dwelling Units for homeowners with incomes at or below 70% of the AMI; and

WHEREAS, the multifamily building will contain 98 one-bedroom units of varying sizes, 87 two-bedroom units of varying sizes, and 15 three-bedroom units, all of which three-bedroom units are designated to serve families and are all affordable to households with incomes below 60% of the AMI, thereby delivering significant public purpose to the site; and

WHEREAS, the estimated cost for the development and construction of the multifamily building is currently estimated to be \$68.7 million to be funded from a combination of debt and equity and supported by projected operations that pay operating expenses and produce ample debt service coverage, but said financing plan will be presented for approval by the Commission at a later date; and

WHEREAS, the Commission previously authorized predevelopment funding of \$1,600,000 which was funded from deposits received from EYA (\$750,000) and from the Opportunity Housing Reserve Fund ("OHRF") (\$850,000), but to cover the completion of the remaining design work, pre-closing site work, permit fees, and legal fees and costs through the

date the Multifamily Site is acquired by the to-be-formed, Commission-controlled entity (the "MF Owner") with acquisition and construction financing; and

WHEREAS, when the Commission approved a predevelopment advance to the Corporation in the amount of \$250,000 on October 7, 2015, the Commission reserved the right to approve any additional funding of the \$1,832,195 million that is anticipated to be needed to complete the development work for the Multifamily Building, and the Commission now wishes to approve the final development plan and such additional funding; and

WHEREAS, the Commission's OHRF has an unobligated balance of \$14.06 million and such funds may be appropriated with Commission approval for among other things, the funding of predevelopment costs.

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the final development plan for the development of the Chevy Chase Lake Apartments which is estimated to cost \$68.7 million to produce 200 rental apartment units of which 40 units (20%) will be affordable to households with incomes below 60% of the AMI, 40 units (20%) will be work force housing units, and 120 units (60%) will be market rate units.

BE IT FURTHER RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves funding of the remaining predevelopment expenses in the amount of \$1,832,195 from the OHRF, as a loan to the Chevy Chase Lake Development Corporation and which loan is projected to be repaid from financing proceeds the time of the transfer of the closing on the acquisition and construction financing by the MF Owner.

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

IV. ITEMS REQUIRING DELIBERATION and/or ACTION

A. Acceptance of the U.S. Department of Health and Human Services Family Initiative Grant funding the HOC Family Program

Fred Swan, Director of Resident Services, was the presenter.

The following resolution was approved upon a motion by Commissioner Piñero and seconded by Commissioner McFarland. Affirmative votes were cast by Commissioners Roman, Simon, Nelson, McFarland and Piñero. Commissioner Hatcher was necessarily absent and did not participate in the vote.

RESOLUTION No. 15-96:

RE: Acceptance of U.S. Department of Health and Human Services Family Initiative Grant for Workforce Development and Improving Family Relationships

WHEREAS, The U.S. Department of Health and Human Services (HHS), Office of Family Assistance has established a number of initiatives and grants aimed at strengthening father involvement, improving employment and economic mobility opportunities, and improving healthy relationships between mothers; and

WHEREAS, the Housing Opportunities Commission submitted a Family Initiative grant proposal that seeks to partner with several agencies to deliver program and services in keeping goals of the HHS Office of Family Assistance; and

WHEREAS, the Housing Opportunities Commission received an notification of award for the proposed Family Program in the amount of \$695,000 that is renewable for up to five (5) years; and

WHEREAS, the grant also provides funding for 2 additional Housing Opportunities staff persons, as well as contracted services; and

NOW, THEREFORE, BE IT RESOLVED by the Housing Opportunities Commission of Montgomery County that it approves the acceptance of the \$695,000 grant from HHS and administration of the grant program in accordance with the terms of the grant award.

V. FUTURE ACTION ITEMS
None

VI. INFORMATION EXCHANGE (CONT'D)
None

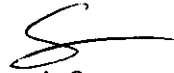
VII. NEW BUSINESS
None

VIII. EXECUTIVE SESSION FINDINGS
None

The Housing Opportunities Commission meeting concluded and adjourned at 11:30 a.m. for a meeting of the Board of Chevy Chase Lake Development Corporation.

The Board of Chevy Chase Lake Development Corporation meeting adjourned at 11:35 a.m. to reconvene the meeting of The Housing Opportunities Commission to adjourn for a Special Session called for the purpose of obtaining approval of the audit and a real estate matter. Based upon this report and there being no further business to come before this session of the Commission, a motion was made, seconded and unanimously adopted to adjourn.

Respectfully submitted,



Stacy L. Spann
Secretary-Treasurer

/pmb